COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 97-42, As Amended

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

Legislative Session Day No. 97-12 Date: April 15, 1997

AN ORDINANCE to authorize and empower Harford County, Maryland to borrow, on its full faith and credit, and issue and sell its bonds or other form of indebtedness therefor, in an amount not to exceed Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) principal amount, the proceeds thereof to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain projects as described in the Annual Budget and Appropriation Ordinances, as amended, Bill No. 96-20, for the year ended June 30, 1997 and Bill No. 97-40, for the year ending June 30, 1998 and as described in this Ordinance (collectively the "Projects") in accordance with Section 524 of the Charter of Harford County

By the Council, April 15, 1997

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

on: May 20, 1997

at: 7:00 p.m.

By Order: James D. Vanna, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on May 20, 1997, and concluded on May 20, 1997.

James D. Vanna, Acting Council Administrator

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

BILL NO. 97-42, As Amended

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 97-42, As Amended

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

Legislative Session Day No. 97-12 Date: April 15, 1997

("Charter") and Section 123-40 of the Code of Harford County ("Code") or as otherwise permitted by law; authorizing the County Council of Harford County, Maryland to adopt an administrative resolution that shall provide for the form of instrument by which any indebtedness or financing obligation is to be evidenced, the manner by which any indebtedness, line of credit, financing lease or similar obligation may be secured, the rate(s) of interest to be paid, and generally for such other matters as may be deemed appropriate by the County Council of Harford County, Maryland in connection herewith; and authorizing the County Executive of Harford County, Maryland by Executive Order, to determine the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of any evidences of indebtedness, the payment of all necessary expenses in connection therewith, the

By the Council, _____

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

on: _____

at: _____

By Order: _____, Acting Council Administrator

PUBLIC HEARING

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

_____, Acting Council Administrator

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

COUNTY COUNCIL

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method by which such evidences of indebtedness shall be sold, maturity schedule, redemption provisions, authorizing the appointment of certain agents; and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for the issuance of bond anticipation notes upon passage of a resolution by the County Council of Harford County, Maryland approving the interest rate or rates on said bond anticipation notes 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 within twelve (12) months after the issuance of the bond anticipation notes, or any renewal thereof, the County Council of Harford County, Maryland shall authorize the issuance of bonds to

By the Council,_____

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

on:_____

at:_____

By Order:_____, Acting Council Administrator

PUBLIC HEARING

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

_____, Acting Council Administrator

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

BILL NO. 97-42, As Amended

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 97-42, As Amended

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

Legislative Session Day No. 97-12 Date: April 15, 1997

pay said bond anticipation notes; providing for disbursement of the proceeds of the sale of such bonds and for the levying of charges, assessments and all taxes necessary to provide payment of the principal of and interest on such bonds; providing that certain additional matters may be determined by resolution of the County Council of Harford County, Maryland or may be reserved unto the County Executive as prescribed by such resolution; providing the method of fixing the interest rates to be borne by such bonds and generally providing for and determining various matters in connection therewith; and generally relating to funding of certain capital projects.

By the Council,_____

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

on:_____

at:_____

By Order:_____, Acting Council Administrator

PUBLIC HEARING

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

_____, Acting Council Administrator

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

WHEREAS, in accordance with the provisions of Section 406 of the Charter of Harford County, the Director of Planning has heretofore transmitted to the County Executive the recommendations of the Planning and Advisory Board for certain Capital Improvements; and

WHEREAS, in accordance with the provisions of Section 505 of the Charter of Harford County, the County Executive has reviewed such recommendations in light of the existing capital programs and the County Executive and the Director of Administration have included such recommendations for capital improvements, as amended, in the proposed Capital Program which has been submitted to the County Council of Harford County, Maryland and the County Council of Harford County, Maryland has adopted the Capital Program and Capital Budgets for the year ended June 30, 1997, pursuant to Bill No. 96-20, as amended, and for the year ending June 30, 1998, pursuant to Bill No. 97-40, as amended; and

WHEREAS, upon request of the County Executive and Resolution of the County Council of Harford County, Maryland, Harford County may sell bond anticipation notes in an amount not greater than the amount of bonds authorized herein, in anticipation of the subsequent sale of the bonds, for all or a portion of the cost of the projects described herein in accordance with the provisions of Article 31, Section 12 of the Annotated Code of Maryland (1997 Replacement Volume); and

WHEREAS, as a part of the said Capital Program and the said Capital Budget, it is necessary that Harford County, Maryland, borrow a sum not exceeding Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) to be used to finance the cost of the acquisition, construction, reconstruction, improvement, extension, site acquisition, architectural and engineering services, and furnishings and equipment for the Projects, including financial, legal and planning expenses related thereto; and

WHEREAS, the County Council of Harford County, Maryland has authority to incur debts on behalf of Harford County, Maryland; and

WHEREAS, the County Council of Harford County, Maryland is hereby authorized to enact an Ordinance adopted in accordance with Section 524 of the Charter of Harford County and other applicable provisions of law providing for the issuance and sale and for the designation, form, tenor, denomination, maturities, and the interest rates payable on any bonds or other form of indebtedness issued under this Ordinance; and to levy annually *ad valorem* taxes upon the assessable property within the County sufficient, together with other taxes and other available funds, to provide for the payment of the interest on and principal of any bonds so issued; and

WHEREAS, the proposed bond issue or other form of indebtedness is within the legal limitation on the indebtedness of Harford County, Maryland; and

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

WHEREAS, after written recommendation of the County Executive, public hearing and affirmative vote of at least four (4) members of the County Council of Harford County, Maryland, the capital budgets authorizing the Projects have been amended and adopted; and

WHEREAS, the financing or indebtedness herein authorized, including the aggregate principal amount of bonds or other indebtedness in an amount not to exceed Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000), and interest rate(s), shall be evidenced and incurred pursuant to a resolution or resolutions ("Resolution") to be adopted by the County Council of Harford County, Maryland upon written recommendation of the County Executive, pursuant to this Ordinance and other terms of sale, including, but not limited to maturity schedule, redemption provisions, form of bond, and date of sale shall be determined by the County Executive of Harford County, Maryland by Executive Order.

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

SECTION 1. Be it enacted by the County Council of Harford County, Maryland that, acting pursuant to the authority of the Charter, the Code and the laws of the State of Maryland, Harford County, Maryland (the "County") hereby authorizes and approves the incurring of debt or the payment of purchase price or rental installments for the purpose of financing a portion of the capital cost of capital equipment, improvements, extensions, modifications, alterations, or any combination thereof to the property of the County, together with the acquisition of all necessary property rights and equipment, and all related architectural, financial, legal, planning, design and engineering expenses associated with such capital equipment, improvements, extensions, modifications or alterations including:

Project	Amount to be Borrowed
Bel Air Senior Center	$1,000,000
Site Acquisition	3,501,228
Harford Community College Joint Research Library	2,454,352
Edgewood Library	2,025,000
Churchville Elementary Modernization	2,080,500
Forest Hill Elementary Modernization	~~3,659,982~~ 2,908,982
Harford Glen Environmental Center	1,311,000
Parks & Recreation - Enlarge Gymnasiums and Activity Rooms	250,000
Hickory Elementary Modernization	938
Hillsdale Media Center Renovation	1,000
Homestead Elementary Media	1,000
Harford Vocational Technical High School - HVAC System	751,000
Total	$16,285,000

The principal amount of indebtedness to be incurred hereunder shall not exceed Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000).

SECTION 2. And be it further enacted by the County Council of Harford County, Maryland that prior to the issuance, sale and delivery of any bonds, bond anticipation notes, notes, evidences of indebtedness, line of credit, financing lease or installment purchase obligation in reliance on this Ordinance, the County Council of Harford County, Maryland shall (without limitation) determine administratively in the Resolution:

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

(b) the manner, if any, by which any indebtedness or financing shall be secured (to the extent annual debt service exceeds proceeds from recordation tax to be used pursuant to Section 12-113(a) of the Tax-Property Article of the Annotated Code of Maryland (1994 Replacement Volume and 1996 Supplement) to pay school bonds issued on the faith and credit of the County after January 1, 1959 and for other school purposes, or transfer tax proceeds to be used for school construction and site acquisition pursuant to Bill No. 93-3 enacted by the County Council of

Harford County, Maryland on April 6, 1993 (and signed by the County Executive on April 20, 1993)) including, but not limited to, a letter or letters of credit, bond or other such insurance and a pledge of the full faith and credit and unlimited taxing power of the County);

(c) the rate or rates of interest or method of determining such rate or rates; and

(d) whether the financing is to be accomplished by public sale, private (negotiated) sale or by private placement.

The Resolution shall be deemed to be of an administrative nature and shall be effective upon the date specified in the Resolution.

SECTION 3. And be it further enacted by the County Council of Harford County, Maryland that the County Executive of Harford County, Maryland shall determine the following matters by Executive Order:

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

(b) the substantially final form and contents and consent to the distribution (and shall authorize the execution and delivery, where applicable) of various agreements and documents as are necessary to implement the financing authorized herein, including, but not limited to, a Preliminary Official Statement and/or an Official Statement, and in the event any evidence of indebtedness is sold through

1 competitive bidding, a Notice of Sale, and in the event any evidence of indebtedness
2 is sold by private (negotiated) sale, a Purchase Contract with the Underwriter(s)
3 thereof, and if any indebtedness is issued in book entry form, securities depository
4 agreements, (collectively the "Documents"), required for the issuance, sale and
5 delivery of any evidence of indebtedness or the completion of the financing authorized
6 herein, which Documents shall contain such provisions as may be required by law or
7 to consummate the financing authorized herein;

8 (c) the manner in which any evidence of indebtedness, lease financing
9 or installment purchase obligation shall be executed, sealed and attested (which may
10 be by facsimile signature and/or seal);

11 (d) provision for the payment of all necessary expenses of preparing,
12 printing and selling any evidence of indebtedness and the Documents including,
13 without limitation, any and all costs, fees and expenses incurred by or on behalf of
14 the County in connection with the authorization, issuance, sale and delivery of any
15 bonds or notes, and all costs incurred in connection with the development of the
16 Documents, including the fees of counsel to the County, and compensation to any
17 persons (other than full-time employees of the County) or entities performing services
18 for or on behalf of the County in connection therewith and in connection with all
19 other transactions contemplated by this Ordinance regardless of whether the
20 proposed financing is consummated;

(e) such other matters in connection with the consummation of the financing transactions contemplated by this Ordinance as may be deemed appropriate by the County Executive of Harford County, Maryland, including (without limitation) the appointment of agents (including, but not limited to, trustees, paying agents, indexing agents and/or registrars) in connection with the financing, the execution, acknowledgment, sealing and delivery of such other and further agreements, documents and instruments, and the authorization of the officials of the County to take any and all actions, as are or may be necessary or appropriate to consummate the transactions contemplated by this Ordinance in accordance with the terms hereof and of the Resolution.

The Executive Order shall be effective upon the date specified in the Executive Order.

SECTION 4. And be it further enacted by the County Council of Harford County, Maryland that authority is hereby conferred respectively on the County Executive of the County, the Director of Administration, the Treasurer, the County Attorney and the Secretary of the County Council of Harford County, Maryland, or any of them, and they are hereby directed to take the following actions on behalf of the County:

(a) to execute, acknowledge, seal and deliver the Documents substantially in the forms determined administratively by the County Council of Harford County, Maryland in the Resolution; and

(b) to execute, acknowledge, seal and deliver such other and further certificates, certifications, agreements, documents and instruments and take such other acts as they or any one or more of them may deem necessary or appropriate to consummate the transactions contemplated by this Ordinance in accordance with the provisions hereof and of the Resolution.

SECTION 5. And be it further enacted by the County Council of Harford County, Maryland that the Treasurer, or his authorized deputy, is hereby authorized and empowered to prepare and distribute copies of the Documents to any person who may, in his judgment, be interested in participating in the financing of the Projects or who may request the same or information with respect thereto; provided, however, that any preliminary official statement and related material shall be clearly marked to indicate that they are subject to completion and amendment.

SECTION 6. And be it further enacted by the County Council of Harford County, Maryland that, to the extent the recordation tax and/or transfer tax described in Section 2 of this Ordinance is insufficient to pay the principal of and interest on the indebtedness herein authorized, the County hereby covenants and agrees, with each of the holders, from time to time, of any of the bonds or other indebtedness, that it shall promptly cause to be levied against all assessable property within the County annually, so long as any of the bonds or other indebtedness are outstanding and not paid, an *ad valorem* tax sufficient in rate and amount to provide for payment of such principal of, premium (if any) and interest on the bonds or other indebtedness when

due. Such tax shall be levied in accordance with the Charter. The County, by the passage of this Ordinance, hereby covenants and agrees properly and promptly to perform all of the respective acts and duties defined in the Charter for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable property within the corporate limits of the County, as the levy and collection of such a tax becomes necessary in order to provide for the payment of principal of, premium (if any) and interest on the bonds or other indebtedness.

SECTION 7. And be it further enacted by the County Council of Harford County, Maryland that if the County Council of Harford County, Maryland determines in the Resolution that it is in the best interests of the County to sell any evidence of indebtedness or lease financing or installment purchase obligation by private (negotiated) sale, the County Council of Harford County, Maryland hereby authorizes (a) the appointment of an underwriter (the "Underwriter") in connection with the sale thereof, and (b) the payment by the County to the Underwriter out of the proceeds of the sale thereof or otherwise for services rendered in connection therewith, such compensation to be determined in the Resolution.

SECTION 8. And be it further enacted by the County Council of Harford County, Maryland that the County Executive is hereby authorized and empowered for and on behalf of the County (a) to cause the preparation, printing, execution and delivery of the Documents, each substantially in the form provided in the Resolution or in the Executive Order of the County Executive, with such modifications,

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

SECTION 9. And be it further enacted by the County Council of Harford County, Maryland that nothing herein contained shall authorize the expenditure of County funds until such time as such expenditure shall have been appropriated by the County Council of Harford County, Maryland, and this Ordinance shall not be construed as authorizing or approving any project not otherwise authorized or approved by all appropriate legal authorization.

SECTION 10. And be it further enacted by the County Council of Harford County, Maryland that unless changed by the Resolution or the Executive Order, if the indebtedness herein authorized is represented by bonds: (a) the bonds shall be issued pursuant to the authority of this Ordinance and shall be dated September 1, 1997; (b) the bonds shall be issued in the denominations of Five Thousand Dollars ($5,000) or any integral multiple thereof, and shall be numbered from one (1) consecutively upward in the order of their maturities. The bonds shall mature over a period not to exceed twenty (20) years from their date in twenty (20) annual serial installments beginning in the year 1998 and ending in the year 2017. The bonds shall mature on March 1 in each of said years as follows: Eight Hundred Thousand Dollars ($800,000) in each of the years, 1998 through 2016 inclusive; and One Million Eighty-Five Thousand Dollars ($1,085,000) in the year 2017. The term and maturity

schedule of the bonds or other indebtedness may be changed, increased or decreased upon Executive Order of the County Executive, but the aggregate principal amount of indebtedness to be incurred shall not exceed Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000).

SECTION 11. Be it further enacted by the County Council of Harford County, Maryland that if the indebtedness herein authorized is represented by bonds, the bonds shall bear interest at the rate or rates named by the successful bidder for the bonds in accordance with the Notice of Sale hereinafter set forth, as may hereafter be amended, upon written recommendation of the County Executive of Harford County, Maryland (the "County Executive"), by administrative resolution of the County Council of Harford County, Maryland, and said interest shall be payable semiannually on the first days of September and March in each of the years that the bonds are outstanding. Interest on the bonds will be payable by check or draft of the Paying Agent mailed to the registered owners thereof. The bonds, when issued, shall be executed in the name of the County, by the facsimile signature of the County Executive, and a facsimile of the corporate seal of the County shall be imprinted on each of the bonds attested by the facsimile signature of the Director of Administration of the County and the manual signature of an authorized officer of the Bond Registrar. The facsimiles of said signature and said seal shall be engraved, printed or lithographed on each of the bonds in accordance with, and pursuant to the authority of Sections 2-301 through 2-306 inclusive of the State Finance and Procurement

Article of the Annotated Code of Maryland (1995 Replacement Volume and 1996 Supplement). If the indebtedness is represented by bonds, the bonds shall be subject to registration as to principal and interest, in the name or names of the owner or owners thereof on books kept for that purpose at the principal office of the Bond Registrar and the principal of the bonds shall be payable upon presentation and surrender thereof at the principal office of the Paying Agent or the ownership of the indebtedness may, pursuant to Executive Order of the County Executive, be maintained by a book entry system. The Bond Registrar and Bond Paying Agent shall be determined by Executive Order of the County Executive. Payment of interest on the bonds shall be made by the Paying Agent on each payment date, to each person appearing on the registration books of the County, maintained by the Bond Registrar, as the registered owner thereof, by check or draft mailed to each such registered owner at his or her address as it appears on such registration books. There shall be printed on each bond the text of the approving legal opinion of bond counsel with respect to the bonds. Except as provided hereinafter or in an Executive Order of the County Executive prior to the issuance of the bonds, if the indebtedness authorized herein is represented by bonds, the bonds shall be in substantially the following form, which form, together with all covenants and conditions therein contained, is hereby adopted by the County Council of Harford County, Maryland as and for the form of obligation to be incurred by the County, and said covenants and conditions, including

the promise to pay therein contained, are hereby made binding upon the County, in accordance with the endorsement on said bonds:

UNITED STATES OF AMERICA

STATE OF MARYLAND

HARFORD COUNTY, MARYLAND

HARFORD COUNTY GENERAL OBLIGATION BONDS OF 1998

No. No.

Registered Owner:

$5,000 $5,000

(Dated September 1, 1997)

HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland, 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 FIVE THOUSAND DOLLARS ($5,000)

on _____, _____

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 March 1, 1998, and semiannually thereafter on the first days of September and March and in each year by check or draft of the Paying Agent (hereinafter described) mailed to the registered owners of record as interest becomes due and payable.

1 Both the principal of and interest on this bond will be paid in lawful money of
2 the United States of America, at the time of payment, at the principal office of ___
3 _____, Baltimore, Maryland ("Paying Agent").
4 This bond shall be registered in the name of the owner on the registration
5 books kept for that purpose at the principal office of _____,
6 Baltimore, Maryland ("Bond Registrar"), and such registration shall be noted on the
7 back of this bond, after which no transfer hereof shall be valid unless made on the
8 said registration books by the registered owner hereof in person or by his duly
9 authorized attorney, and similarly noted on this bond. The County, Bond Registrar
10 and Paying Agent may deem and treat the person in whose name this bond is
11 registered as the absolute owner hereof for all purposes. This bond, upon surrender
12 hereof at the principal office of the Bond Registrar with a written instrument of
13 transfer satisfactory to the Bond Registrar, duly executed by the registered owner
14 hereof, or his (her) duly authorized attorney, may, at the option of the registered
15 owner hereof, be exchanged for an equal aggregate principal amount of bonds of
16 authorized denominations and of the same form and tenor as this bond. For every
17 such exchange or transfer of bonds, the County or the Bond Registrar shall make a
18 charge for any tax or other governmental charge required to be paid with respect to
19 such exchange or transfer. Such charge shall be paid by the registered owner
20 requesting such exchange or transfer as a condition precedent to the exercise of such
21 privilege. The Bond Registrar shall not be obligated to make any such exchange or

transfer of bonds during the fifteen (15) days next preceding an interest payment date on the bonds, or in case of any proposed redemption of bonds, during the fifteen (15) days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any bonds called for redemption.

This bond is one of a duly authorized issue or series of bonds aggregating Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) in principal amount, which are of the denomination of Five Thousand Dollars ($5,000) or integral multiples thereof. These bonds mature serially in installments on the first day of September in each of the years 1998 to 2017, inclusive, as follows: Eight Hundred Thousand Dollars ($800,000) in each of the years, 1998 through 2016 inclusive; and One Million Eighty-Five Thousand Dollars ($1,085,000) in the year 2017. These bonds are numbered from one (1) consecutively upwards in the order of their maturities, are of like tenor except as to maturity, number and interest rate, are issued pursuant to and in full conformity with the provisions of the Charter of Harford County, as amended, and by virtue of due proceedings had and taken by the County Council of Harford County, Maryland particularly an Ordinance enacted on _____ _____, 1997, entitled Bill No. 97-42 and a Resolution adopted on _____ _____.

The full faith and credit and unlimited taxing power of Harford County, Maryland, is pledged to the punctual payment of the principal of and interest on this

bond according to its terms, and said County covenants and agrees punctually to pay the principal of this bond and the interest thereon, at the dates and in the manner mentioned herein.

The bonds of the issue which mature on or before September 1, ____, are not subject to redemption prior to their maturities. The bonds which mature on or after September 1, _____, shall be subject to redemption as a whole at any time or in part on any interest payment date, and in any order of maturity, at the option of the County on September 1, ____, or on any redemption date thereafter upon notice of call for redemption given by publication at least thirty (30) days prior to the date of redemption in a newspaper published and circulating in Harford County and in the City of Baltimore, Maryland, and also in a financial newspaper published and circulating in the City of New York, New York, at a redemption price, expressed as a percentage of the principal amount of the bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption.

Date of Redemption	Optional Redemption Price

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds to be redeemed shall be selected by lot by _____ _____, _____, _____, Paying Agent.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity and neither the members of the County Council of Harford County, Maryland nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter and Code of Harford County and the Ordinance and Resolution above referred to, and that the issue of bonds of which this is one, together with all other indebtedness of Harford County, is within every debt and other limit prescribed by the Constitution and laws of said State and the Charter and Code of Harford County, and that due provision has been made for the levy and collection, if and when necessary, of an annual *ad valorem* tax or taxes upon all the legally assessable property within the corporate limits of Harford County, Maryland, as prescribed by law, in rate and amount sufficient to provide for the payment, when due, of the interest on and the principal of this bond.

IN WITNESS WHEREOF Harford County, Maryland, has caused this bond to be executed in its name by the facsimile signature of the County Executive, which

signature has been imprinted thereon, and has also caused a facsimile of its corporate seal to be imprinted hereon, attested by the facsimile signature of the Director of Administration, and the manual signature of an authorized officer of the Bond Registrar, all as of the _____ day of _____, 1997.

Attest: HARFORD COUNTY, MARYLAND

_____ By:_____

Director of Administration County Executive

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of Harford County, Maryland General Obligation Bonds of 1998.

_____
Authorized Officer

(Form of Registration)

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

Date of Registry	Name of Registered Holder	Registered By

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 represented by bonds, the bonds shall be sold by bids on sealed proposals to the bidder therefor for cash whose bid is deemed to be for the best interest of the County, Maryland, 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 shall also be published in "The Bond Buyer", a financial journal published in the City of New York. The Award of the Bonds, if made, shall be approved by resolution of the County Council of Harford County, Maryland 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, unless changed by Executive Order of the County Executive, shall be held on September 15, 1997, at the office of the Treasurer of Harford County, Maryland, located at 220 South Main Street, Bel Air, Maryland, at 11:00 o'clock A.M., E.S.T. or E.D.T. (whichever time may then be in effect), or on such other date and at such other time and location as may be provided by Executive Order of the County Executive.

SECTION 13. Be it further enacted by the County Council of Harford County, Maryland that the official Notice of Sale shall be in substantially the form hereinafter set forth and the terms, provisions and conditions set forth in said form of Notice of

Sale are hereby adopted and approved as the terms, provisions and conditions under which and the manner in which the bonds shall be sold, issued and delivered at public sale. In addition, there is hereinafter set forth a form of Proposal to be used by all persons submitting proposals for the purchase of the bonds. The official Notice of Sale, upon resolution of the County Council of Harford County, Maryland, may be consolidated with the Official Notice of Sale for other bonds to be sold by the County at the same time. The official Notice of Sale and Proposal for the bonds shall be in substantially the following form (unless changed by Executive Order of the County Executive adopted prior to the sale of the bonds):

$16,285,000

HARFORD COUNTY, MARYLAND

HARFORD COUNTY GENERAL OBLIGATION BONDS OF 1998

SEALED BIDS will be received by the Treasurer of Harford County, Maryland (the "County") at 220 South Main Street, Bel Air, Maryland, until 11:00 o'clock A.M., E.S.T. or E.D.T. (whichever shall then be in effect) on September 15, 1997 for the purchase of Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) Harford County, Maryland General Obligation Bonds of 1998 (the "Bonds") all being dated September 1, 1997, and bearing interest payable semi-annually on the first days of March and September until maturity. The Bonds are issued under the provisions of an Ordinance adopted by proceedings of the County Council of Harford County, Maryland on _____, 1997. The Bonds mature on September 1 in each of the years 1998 to 2017 as follows: Eight Hundred Thousand Dollars ($800,000) in each of the years, 1998 through 2016 inclusive; and One Million Eighty-Five Thousand Dollars ($1,085,000) in the year 2017.

The proceeds of the sale of the Bonds will be used to finance the cost of construction, reconstruction, improvement, extension, acquisition, alteration, repair, the cost of acquiring sites, making site improvements, architectural and engineering services, including preparation of plans, drawings and specifications, and the development of the grounds and landscaping and all customary appurtenances and

equipment for the renovation and expansion of certain Capital Projects described in the Ordinance and as more particularly set forth in the Annual Budget and Appropriation Ordinance of Harford County, Maryland, as amended, for the year ended June 30, 1997 and for the year ending June 30, 1998.

The principal of the Bonds will be payable in lawful money of the United States of America at the time of payment, upon presentation and surrender thereof, at the principal office of _____, Baltimore, Maryland ("Bond Registrar" and "Paying Agent"). Payment of interest on the Bonds shall be made by the Paying Agent on each payment date, to each person appearing on the registration books of the County, maintained by the Bond Registrar, as the registered owner thereof, by check or draft mailed to each such registered owner at his or her address as it appears on such registration books.

The Bonds will be issued in the denomination of Five Thousand Dollars ($5,000) or integral multiples thereof. The bonds will be subject to registration on books kept for that purpose at the principal office of the Bond Registrar.

The Bonds which mature on or before _____, are not subject to redemption prior to their maturities. The bonds which mature on and after _____ _____, shall be subject to redemption as a whole at any time or in part on any interest payment date, and in any order of maturity, at the option of the County on _____, or on any redemption date thereafter upon notice of call for redemption given by publication at least thirty (30) days prior to the date of

redemption in a newspaper published and circulating in Harford County and in the City of Baltimore, Maryland, and also in a financial newspaper published and circulating in the City of New York, New York, at a redemption price, expressed as a percentage of the principal amount of the bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption:

Date of Redemption	Optional Redemption Price

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds to be redeemed shall be selected by lot by the Paying Agent.

Each bid must be submitted on the prescribed form accompanying the Preliminary Official Statement and must be enclosed in a sealed envelope addressed to "Treasurer, Harford County Maryland, Bel Air, Maryland", and marked on the outside "Proposal for General Obligation Bonds of 1998", such bid to be accompanied by a good faith deposit in the form of a certified check upon, or a cashier's or treasurer's check of, a responsible banking institution or a financial surety bond as described below, payable to "Harford County, Maryland" for Three Hundred Twenty-Five Thousand Dollars ($325,000). The check of the successful bidder will be collected and the proceeds thereof retained by the County to be applied in part

payment for the bonds, and no interest will be allowed upon the amount thereof; but, in the event the successful bidder shall fail to comply with the terms of such bid, the proceeds of such check will be retained as and for full liquidated damages. The checks of the unsuccessful bidders will be returned promptly.

In lieu of submitting a check, a bidder may submit a financial surety bond from an insurance company satisfactory to the County licensed to issue such a bond in the State of Maryland, and such bond must be submitted to the County c/o Miles & Stockbridge, a Professional Corporation, 600 Washington Avenue, Towson, Maryland 21204, Bond Counsel, prior to 11:00 a.m., E.S.T. or E.D.T. (whichever time shall then be in effect) on the date of sale. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the bonds are awarded to a bidder utilizing a financial surety bond, then the successful bidder is required to submit its good faith deposit to the Treasurer of the County in one of the forms described in the preceding paragraphs not later than 3:30 p.m. (E.S.T or E.D.T. [whichever time shall then be in effect]) on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond may be drawn by the County to satisfy the good faith deposit requirement.

The County will not consider and will reject any bid for the purchase of less than all of the Bonds. The right is reserved to reject any and all bids and to waive any informality or irregularity in any proposal or bid. Acceptance of the successful

bid is subject to approval, by resolution, of the County Council of Harford County, Maryland.

It is expected that CUSIP identification numbers will be printed on the bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by a successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Bidders must bid at least par for the Bonds and accrued interest to the date of delivery of the Bonds, and must specify the rate or rates of interest to be paid thereon, in multiples of one-eighth (1/8th) or one-twentieth (1/20th) of one percent (1%) per annum. Bidders may specify more than one rate of interest to be borne by the Bonds, but may not specify more than one interest rate for the Bonds of each maturity. A zero rate cannot be named for any maturity. The interest payable on any Bond on any interest payment date shall be represented by a single interest rate. The differences between the highest and lowest interest rates shall not exceed two percent (2%).

Bids will be opened promptly after 11:00 A.M., E.S.T. or E.D.T. (whichever time shall then be in effect) on September 15, 1997, or such other date and at such other time as may be provided in a resolution of the County Council of Harford County, Maryland. The award, if made, will be made promptly after the bids are opened to the bidder offering the lowest true interest cost to the County, within the

1 guidelines of this Notice of Sale, such lowest true interest cost to be determined in
2 accordance with the true interest cost (TIC) method by doubling the semi-annual
3 interest rate (compounded semi-annually) necessary to discount the debt service
4 payments from the payment date to the date of the Bonds and to the price bid,
5 excluding interest accrued to the date of delivery. If two or more responsible bidders
6 have made proposals, each of which represents the lowest true interest cost to the
7 County (computed in accordance with the terms of this Notice of Sale), then the
8 Bonds may be awarded, with their consent, in a ratable portion among such bidders,
9 or the County may, in its sole discretion, determine to which of such bidders the
10 Bonds will be awarded.

11 The Bonds will be delivered to the successful bidder or bidders as soon as
12 practicable, upon due notice and at the expense of the County, at such location in
13 New York, New York or Baltimore, Maryland, as the successful bidder may designate,
14 upon payment of the successful bid (including any premium) plus accrued interest to
15 the date of delivery; less the deposit theretofore made. Such payment shall be made
16 in federal funds or other immediately available funds. The successful bidder shall
17 advise the Bond Registrar of the names of the initial registered owners of the Bonds
18 and the denominations of the initial Bonds not later than seven (7) business days
19 before the expected date and time of delivery of the Bonds.

20 The successful bidder must, prior to the delivery of the Bonds, certify to the
21 County the amount of the initial offering price to the public (excluding bond houses

and brokers) at which a substantial portion (at least 10%) of the Bonds of each maturity have or will be sold.

The Bonds, and payment of the principal and interest thereon, will be the unconditional general obligation of the County and will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of Harford County.

The issuance of the Bonds will be subject to legal approval of Miles & Stockbridge, a Professional Corporation, Baltimore, Maryland, and a copy of their opinion will be delivered upon request, without charge, to the successful bidder for the Bonds. The text of such approving legal opinion will be printed on each Bond. There will also be furnished the usual closing papers, including a certificate stating that there is no litigation pending affecting the validity of the Bonds.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such bidder shall be furnished a certificate or certificates of the County Executive, Treasurer and Director of Administration to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds of such issue there has been no

1 material adverse change in the financial position or revenues of the County except as
2 reflected or contemplated in the Official Statement (and any amendment or
3 supplement thereto).

4 The Preliminary Official Statement of the County concerning the Bonds (the
5 "Preliminary Official Statement") is in a form "deemed final" by the County for
6 purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and
7 completion in the final Official Statement.

8 As soon as practicable after the award of the Bonds to the successful bidder
9 therefor on the day of sale, the County will approve the final Official Statement for
10 the Bonds. By submitting its bid for the Bonds, each bidder agrees that, if it is the
11 successful bidder, it will provide the County with pricing information and such other
12 information as the County may require in order that the County may provide the
13 successful bidder with a final Official Statement in compliance with the Rule.
14 Whether or not any such information is included in the Official Statement (and any
15 amendment or supplement thereto), such successful bidder shall be responsible to the
16 County and its officials in all respects for the accuracy, fairness and completeness of
17 such information, and for all decisions made with respect to the use or omission of
18 such information in any re-offering of the Bonds, including the presentation or
19 exclusion of any such information in any documents, including the Official Statement.
20 Within seven (7) business days after the award of the Bonds, the successful bidder
21 will also be furnished, without cost, with up to 100 copies of the Official Statement

(and any amendment or supplement thereto), and such successful bidder may obtain additional copies at its own expense.

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

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

The Preliminary Official Statement, a full financial statement concerning the County, the required form of proposal, and other data in reference thereto as may be desired will be supplied to prospective bidders upon request made to James M.

1 Jewell, Treasurer, 220 South Main Street, Bel Air, Maryland [(410) 879-2000], or
2 Public Advisory Consultants, 117 Water Street, Baltimore, Maryland 21202 [(410)
3 539-2418], Financial Advisor to the County.

4 HARFORD COUNTY, MARYLAND

5 By: Eileen M. Rehrmann
6 County Executive

PROPOSAL FOR GENERAL OBLIGATION BONDS OF 1998

Treasurer, Harford County, Maryland
220 South Main Street
Bel Air, Maryland 21014

Gentlemen:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale, which is a part of this Proposal, we offer to purchase the obligations of Harford County, Maryland, described in such Notice being Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) Harford County General Obligation Bonds of 1998, the bonds maturing in the several years shown in the table below and subject to redemption as provided in the Notice of Sale to bear interest at the rates per annum set opposite such years, respectively, in said table, and to pay Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) the par value of said obligations plus interest accrued to the date of payment of the purchase price, plus a premium in the amount of _____ _____ Dollars ($_____).

Year of Maturity	Principal Amount	Interest Rate
1998	$800,000	_____%
1999	$800,000	_____%
2000	$800,000	_____%
2001	$800,000	_____%
2002	$800,000	_____%

2003	$800,000	_____%
2004	$800,000	_____%
2005	$800,000	_____%
2006	$800,000	_____%
2007	$800,000	_____%
2008	$800,000	_____%
2009	$800,000	_____ %
2010	$800,000	_____%
2011	$800,000	_____%
2012	$800,000	_____%
2013	$800,000	_____%
2014	$800,000	_____%
2015	$800,000	_____%
2016	$800,000	_____%
2017	$1,085,000	_____%

We enclose herewith a certified cashier's or treasurer's check, payable to the order of "Harford County, Maryland", in the amount of Three Hundred Twenty-Five Thousand Dollars ($325,000), which check is to be applied in accordance with the annexed Notice of Sale.

If we are the successful bidder for the Bonds we agree: (1) to provide full and complete pricing information with respect to the Bonds to Harford County, Maryland (the "County") in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchaser of the Bonds within seven (7) business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) to comply with the requirements of SEC Rule 15c2-12 and the applicable rules of the Municipal Securities Rulemaking Board in connection with the offer and sale of the Bonds; (3) to furnish to the County before the delivery of the Bonds such information as shall be necessary to enable the County to determine the "issue price" of the Bonds as defined in Sections 148(h), 1273 and 1274 of the Internal Revenue Code of 1986, as amended; (4) within three (3) business days after the final Official Statement becomes available, to cause copies thereof to be filed with one or more "nationally-recognized municipal securities information repositories", as such term is defined in SEC Rule 15c2-12; and (5) to certify at the time of the issuance of the Bonds that the final Official Statement is in form satisfactory to us.

_____

_____

_____

(The aggregate amount of interest from the date of the Bonds to final maturity is _____ Dollars ($_____). The true interest cost is _____ per cent (_____%). This is requested to expedite and facilitate prompt determination of best bid. It is not a part of the proposal. The omission or inaccuracy of these figures will not effect the validity of the proposal.) The differences between the highest and lowest interest rates shall not exceed two per cent (2%). A zero rate may not be named for any maturity.

SECTION 14. Be it further enacted by the County Council of Harford County, Maryland that upon request of the County Executive, the County Council of Harford County, Maryland may, at any time, prior to the public sale of these bonds, by administrative resolution(s), change the projects to be constructed with the proceeds of sale of the bonds and the County Executive by Executive Order may determine or change the Notice of Sale, date of sale, the date or location of bid opening, the dates of maturity or redemption of the bonds, the amount of the bonds to be sold (but not in excess of Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000) and the amounts of bonds maturing in each year, the interest payment dates of the bonds, appoint paying agent(s) and/or registrar(s) for the bonds, whether ownership of the bonds or other indebtedness shall be maintained in book entry form, and the terms of sale of the bonds.

SECTION 15. Be it further enacted by the County Council of Harford County, Maryland that immediately after the sale of the bonds, and upon written

1 recommendation of the County Executive the interest rate or rates payable thereon
2 shall be fixed by a resolution of the County Council of Harford County, Maryland in
3 accordance with the terms and conditions of the sale of the bonds. The bonds shall
4 thereupon be suitably printed or engraved and duly executed and delivered to the
5 purchaser in accordance with the conditions of delivery set forth in the foregoing
6 Notice of Sale. The proceeds of the sale of the bonds, including any premium and
7 accrued interest received therefor, shall be paid to the Department of the Treasury of
8 Harford County and shall be deposited in a special account of the County. The
9 County may, at its option, deduct from the gross proceeds received from the sale of
10 the bonds the cost of issuing the same, including the cost of advertising, printing and
11 professional fees (including legal) and expenses. There shall be deducted from the
12 total gross proceeds received from the sale of the bonds the amount received on
13 account of accrued interest on the bonds, which amount shall be set apart by the
14 Treasurer of Harford County in a special fund and applied to the first maturing interest
15 payment on the bonds. The balance of the proceeds of the sale of the bonds shall
16 be expended only to finance the Projects as set forth in this Ordinance and as more
17 particularly described in the Annual Budget and Appropriation Ordinances of the
18 County, as amended, for the year ended June 30, 1997 and for the year ending
19 June 30, 1998. If the funds derived from the sale of the bonds shall exceed the
20 amount needed to finance said Projects, the excess funds so borrowed and not
21 expended by the County shall be applied by the County in payment of the next

principal maturity of the bonds so issued, unless the County Council of Harford County, Maryland shall adopt a resolution or ordinance allocating said excess funds to finance any lawful modification of such Projects, or to the extent then permitted by law, any other project lawfully undertaken by the County, as may be provided by subsequent resolution or ordinance approved by the County Council of Harford County, Maryland.

SECTION 16. Be it further enacted by the County Council of Harford County, Maryland that, to the extent the recordation and transfer taxes described in Section 2 of this Ordinance are insufficient to pay the principal of and interest on the Bonds, for the purpose of paying the interest on, premium, (if any) and principal of the bonds or other indebtedness authorized by this Ordinance, there is hereby levied and there shall hereafter be levied in each fiscal year that any of the bonds or other indebtedness are outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the County without limitation on rate or amount; and, in addition, upon such other intangible property as may be subject to taxation by the County within limitations prescribed by law, in an amount sufficient together with funds available from other sources, to pay the annual interest on the outstanding bonds or other indebtedness and to redeem the bonds or other indebtedness maturing during the succeeding year; and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the bonds or other indebtedness

as and when they mature. The County by the passage of this Ordinance hereby covenants and agrees properly and promptly to perform all of the respective acts and duties defined in this Ordinance for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable property within the corporate limits of the County, as the levy and collection of such a tax becomes necessary in order to meet the debt service requirements of Harford County General Obligation Bonds of 1998. By this Ordinance, the County agrees to take all action it may be legally authorized and empowered to take in order to enforce, in any year in which any of the bonds or other indebtedness are outstanding, the guarantee of such bonds or other indebtedness by the County.

SECTION 17. Be it further enacted by the County Council of Harford County, Maryland that the County is hereby authorized and empowered from time to time to issue its Bond Anticipation Note or Notes on the full faith and credit and unlimited taxing power of the County in an amount not exceeding Sixteen Million Two Hundred Eighty-Five Thousand Dollars ($16,285,000), the net proceeds of such sale to be used to finance part or all of the cost of the Projects; the sale of such Notes to be upon such terms as may be directed by resolution of the County Council of Harford County, Maryland.

Such Bond Anticipation Note or Notes or other evidence of indebtedness shall not have a maturity in excess of twelve (12) months from the date of issue.

The Treasurer of Harford County, Maryland, prior to the issuance of any such Bond Anticipation Note or Notes or other evidence of indebtedness of the County shall present the terms of such notes to the County Council of Harford County, Maryland for approval by Resolution of the County Council of Harford County, Maryland prior to the issuance of such Bond Anticipation Note or Notes.

The Bond Anticipation Note or Notes will bear interest at the rate or rates so negotiated by the Treasurer and approved by Resolution of the County Council of Harford County, Maryland and the Bond Anticipation Note or Notes when issued shall be issued in the name of the County by the signature of the County Executive, the corporate seal of the County shall be imprinted on such Bond Anticipation Note or Notes and such Bond Anticipation Note or Notes shall be used only for those purposes approved in a Resolution of the County Council of Harford County, Maryland adopted subsequent to the adoption of this Ordinance.

The Bond Anticipation Note or Notes shall not be issued in an amount greater than the amount of bonds or other indebtedness authorized in anticipation of the sale of which the Bond Anticipation Note or Notes are issued and sold.

The principal of and interest on the Bond Anticipation Note or Notes shall be payable out of the first proceeds of sale of the bonds, or from the tax or other revenue which the County shall previously determine to apply to the payment of the bonds and interest thereon.

Twelve (12) months interest on the Bond Anticipation Note or Notes or any renewal thereof may be paid from the proceeds of the Bond Anticipation Note or Notes from the proceeds of sale of the bonds accounting from the initial date of issue thereof.

By resolution adopted by the County Council of Harford County, Maryland, the County may provide for the renewal of the Bond Anticipation Note or Notes at maturity with or without resale.

Immediately after the sale of the Bond Anticipation Note or Notes and approval by resolution of the County Council of Harford County, Maryland, the proceeds of sale of such Bond Anticipation Note or Notes, after payment of expenses of issuing the same, shall be paid to the Department of the Treasury of Harford County, Maryland. The proceeds of sale of the Bond Anticipation Note or Notes shall be expended only to finance the Projects as defined above.

SECTION 18. Be it further enacted by the County Council of Harford County, Maryland that pursuant to Treasury Regulations 1.150-2, governing the use of bond proceeds for the purpose of reimbursing expenditures paid prior to the issuance of bonds, and as permitted by Treasury Regulations 1.150-2(e)(1), the Treasurer of Harford County, Maryland is hereby duly designated to make declarations of Official Intent on behalf of the County. The County expects that all or a part of the capital expenditures for the Projects will be paid prior to the issuance of the Bonds, and that the proceeds of the Bonds will be used to reimburse the County for capital

expenditures paid prior to the issuance of the Bonds. The County reasonably expects to reimburse a portion of the capital expenditures for the Projects with proceeds of the Bonds, in the maximum principal amount of Four Million Dollars ($4,000,000), and this Ordinance shall be available for public inspection at the offices of the County during regular business hours and in accordance with the laws of the State of Maryland and the County, regarding access to public records.

SECTION 19. Be it further enacted by the County Council of Harford County, Maryland that the County covenants and agrees with the registered owners, from time to time, of the Bonds as follows:

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

(b) The County further covenants that it will comply with those provisions of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or other obligations deemed to be

proceeds, it is intended that the covenants of the County contained in this Section 18 be construed so as to require the County to comply with the provisions of the Code only to the extent of such applicability.

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

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

SECTION 20. Be it further enacted by the County Council of Harford County, Maryland that upon recommendation of the County Executive, the County Council of Harford County, Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of Maryland (1997 Replacement Volume) authorizing the loan authorized to be incurred and the bonds authorized to be sold by this Ordinance, to be consolidated for sale and issued, sold and delivered as a single issue of bonds with

other bonds authorized to be sold to finance capital projects described in the Annual Budget and Appropriation Ordinances, as amended.

SECTION 21. Be it further enacted by the County Council of Harford County, Maryland that the provisions of this Ordinance are severable, and if any provision, sentence, clause, section or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, as if the person or circumstances to which this Ordinance or any part hereof are inapplicable had been specifically exempted therefrom.

SECTION 22. And be it further enacted by the County Council of Harford County, Maryland that this Ordinance shall take effect sixty (60) calendar days from the date it became law.

EFFECTIVE: July 28, 1997

TLM\B:\HARFORD CO. '98 GO\BODYGO.AMD
May 2, 1997

97-42
AS AMENDED

HARFORD COUNTY BILL NO. 97-42 (as amended)

(Brief Title) 1997 General Obligation Bonds

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

James D. Vanno
Acting Council Administrator

Date May 20, 1997

ENROLLED

Joanne S. Parrott
President of the Council

Date May 20, 1997

BY THE COUNCIL

Read the third time.

Passed: LSD 97-15 (May 20, 1997)

Failed of Passage: _____

By Order

James D. Vanno
Acting Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 22nd day of May, 1997 at 3:00 p. m.

James D. Vanno
Acting Council Administrator

BY THE EXECUTIVE

Eileen M. Rehrmann
COUNTY EXECUTIVE

APPROVED: Date May 28, 1997

BY THE COUNCIL

This Bill (No. 97-42, as amended), having been approved by the Executive and returned to the Council, becomes law on May 28, 1997.

James D. Vanno
Acting Council Administrator

EFFECTIVE DATE: July 28, 1997

97-42
AS AMENDED