COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 11-28

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

Legislative Session Day No. 11-17 Date: June 14, 2011

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 form of indebtedness therefore (including lease financing), in an amount not to exceed Twenty-Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000) 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 Ordinance, as amended, Bill No. 11-19, for the year ending June 30, 2012 and as described in this Bill (collectively the "Projects") in accordance with Section 524 of the Charter of Harford County ("Charter") and Section 123-40 of the Code of Harford County ("Code") or as otherwise permitted by law authorizing the County

By the Council, June 14, 2011
Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011
at: 6:00 PM

By Order: Mary Kate Healey, 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 July 12, 2011, and concluded on July 12, 2011.

Mary Kate Healey, 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.

[Page 1 of 4]

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 11-28

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

Legislative Session Day No. 11-17 Date: June 14, 2011

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 and 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 therewith 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 method by which such evidences of indebtedness

By the Council, June 14, 2011
Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011
at: 6:00 PM

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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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 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 (or other form of indebtedness) 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 after the issuance of the bond anticipation notes (or other form of indebtedness), or any renewal thereof, the County

By the Council, June 14, 2011
Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011
at: 6:00 PM

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

OF

HARFORD COUNTY, MARYLAND

BILL NO. 11-28

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

Legislative Session Day No. 11-17 Date: June 14, 2011

Council of Harford County, Maryland shall authorize the issuance of bonds to pay said bond anticipation notes (or other form of indebtedness); 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 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, June 14, 2011
Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011
at: 6:00 PM

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.

[Page 4 of 4]

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 Budget for the year ending June 30, 2012, pursuant to Bill No. 11-19, 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 (2002 Volume, 2010 Supplement); 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 Twenty-Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000) 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 a Bill 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 Bill; 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 Twenty-Eight

Million Six Hundred Seventy Thousand Dollars ($28,670,000), 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 Bill and other terms of sale, including, but not limited to maturity schedules, 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**
HMAN (Harford County Metro Area Network)	$8,000,000
Harford County Southern Resource Annex	$5,000,000
Solid Waste Transfer Station	$3,200,000
New Allied Health and Nursing Building	$485,000
Susquehanna Center Addition/Renovations	$5,900,000
Havre de Grace Expansion	$535,000
Athletic Field Improvements	$1,250,000
Moores Mill Road	$4,300,000
TOTAL	$28,670,000

The principal amount of indebtedness to be incurred hereunder shall not exceed Twenty-Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000).

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 (or other form of indebtedness) in reliance on this Bill, 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 (or other form of indebtedness), 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 (2002 Volume, 2010 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 (the "County Council") on April 6, 1993 (and signed by the County Executive on April 20, 1993), as amended, 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.

(e) In the event the County determines to incur part or all of the financing pursuant to a lease or lease purchase arrangement, the County Council of Harford County, Maryland shall determine administratively by Resolution, the equipment to be subject to the lease and the lessor or lessors shall be determined and approved by the County Council of Harford County, Maryland by Resolution after a bid process conducted by the Department of Treasury. The County Council of Harford County, Maryland shall also determine administratively by Resolution whether or not the lease payments under the lease shall be guaranteed by the full faith and credit unlimited taxing power of the County or whether the lease payments are subject to annual appropriation by the County Council of Harford County, Maryland each year.

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

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

(d) provision for the payment of all necessary expenses of preparing, printing and selling any evidence of indebtedness and the Documents including, without limitation, any and all costs, fees and expenses incurred by or on behalf of the County in connection with the authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in connection with the development of the Documents, including the fees of counsel to the County, and compensation to any persons (other than full-time employees of the County) or entities performing services for or on behalf of the County in connection therewith and in connection

with all other transactions contemplated by this Bill regardless of whether the proposed financing is consummated;

(e) the name or designation of the indebtedness, provided that unless otherwise designated, the indebtedness shall be known as Harford County General Obligation Bonds, Series 2011;

(f) such other matters in connection with the consummation of the financing transactions contemplated by this Bill 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 Bill 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 Council Administrator 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 Bill 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 Bill 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 Bill, 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 Bill 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 Bill and shall be dated December 1, 2011; (b) the bonds shall be issued in the denominations of Five Thousand Dollars ($5,000) or any integral multiple thereof (and the amount of bonds to be issued by the County may be adjusted by the Resolution or the Executive Order so that each bond will be in a $5,000 denomination, but in no event may the aggregate indebtedness incurred pursuant to this Bill exceed $28,670,000), 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 2012 and ending in the year 2031. The bonds shall mature on December 1 in each of said years as follows: One Million Four Hundred Thousand Dollars ($1,400,000) in each of the years 2012 through 2030, inclusive and Two Million Seventy Thousand Dollars ($2,070,000) in the year 2031. 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 Twenty-Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000).

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

1 Sale hereinafter set forth, as may hereafter be amended, upon written recommendation of the
2 County Executive of Harford County, Maryland (the "County Executive"), by administrative
3 resolution of the County Council of Harford County, Maryland, and said interest shall be payable
4 semiannually on the first days of August and February (or on such other dates as may be
5 approved in the Resolution) in each of the years that the bonds are outstanding. Interest on the
6 bonds will be payable by check or draft of the Paying Agent mailed to the registered owners
7 thereof. The bonds, when issued, shall be executed in the name of the County, by the facsimile
8 signature of the County Executive, and a facsimile of the corporate seal of the County shall be
9 imprinted on each of the bonds attested by the facsimile signature of the Director of
10 Administration of the County and the manual signature of an authorized officer of the Bond
11 Registrar. The facsimiles of said signature and said seal shall be engraved, printed or
12 lithographed on each of the bonds in accordance with, and pursuant to the authority of Sections
13 2-301 through 2-306 inclusive of the State Finance and Procurement Article of the Annotated
14 Code of Maryland (2002 Volume, 2010 Supplement). If the indebtedness is represented by
15 bonds, the bonds shall be subject to registration as to principal and interest, in the name or names
16 of the owner or owners thereof on books kept for that purpose at the principal office of the Bond
17 Registrar and the principal of the bonds shall be payable upon presentation and surrender thereof
18 at the principal office of the Paying Agent or the ownership of the indebtedness may, pursuant to
19 Executive Order of the County Executive, be maintained by a book entry system. The Bond
20 Registrar and Bond Paying Agent shall be determined by Executive Order of the County
21 Executive. Payment of interest on the bonds shall be made by the Paying Agent on each payment
22 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, SERIES 2011

No. No.

Registered Owner:

$5,000 $5,000

(Dated December 1, 2011)

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 July, 2012, and semiannually thereafter on the first days of December and June 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.

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 _____, Baltimore, Maryland ("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"), and such registration shall be noted on the back of this bond, 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, and similarly noted on this bond. The County, Bond Registrar and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof, or his (her) duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of bonds of authorized denominations and of the same form and tenor as this bond. For every such exchange or transfer of bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such 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, and unless changed by the Resolution, the record date for payment of principal and interest shall be December 31 and June 30 in each year. 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 Twenty-Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000) 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 December in each of the years 2012 to 2031, inclusive, as follows: One Million Four Hundred Thousand Dollars ($1,400,000) in each of the years 2012 through 2030, inclusive and Two Million Seventy Thousand Dollars ($2,070,000) in 2031. 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 Bills enacted on _____, 2010, entitled Bill No. 10-____, and _____, entitled Bill No. 11-_____, 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 before _____, are not subject to redemption prior to their maturities. The bonds which mature on or 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 to the registered owner thereof as shown on

the books of the Bond Registrar, or 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 Bill 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 _____, 2011.

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, Series 2011.

_____
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

PAYMENT GRID

Date of Payment	Principal Amount Paid	Principal Amount Outstanding	Holder Signature

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 in sealed proposals and/or electronic bid form as determined in the Resolution to the bidder therefor for cash whose bid is deemed to be for the best interest of Harford 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 and in electronic form. 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 December 6, 2011 at the office of the Treasurer of Harford County, Maryland, located at 220 South Main Street, Bel Air, Maryland, at 10:00 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. 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 may be published in summary form in The Bond Buyer and in other financial publications approved by the County Executive and/or in electronic form. The official Notice of Sale 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):

NOTICE OF SALE

$28,670,000
HARFORD COUNTY, MARYLAND
GENERAL OBLIGATION BONDS
Series 2011
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that electronic (as explained below) bids will be received by the Treasurer, Harford County, Maryland (the "County") at the offices of the Treasurer of Harford County, Maryland until 10:00 a.m. local Baltimore, Maryland time on December 6, 2011 for the purchase of all (but not less than all) of the County's $73,308,000 Harford County, Maryland General Obligation Bonds, Series 2011 (the "Bonds"). The bids will be received up to the time (unless postponed as described herein) and in the manner described below:

DATE AND TIME

Wednesday, December 6, 2011, 10:00 a.m. Eastern Standard Time (EST). For the purposes of both the sealed bid and the electronic bid, the time maintained by DALCOMP/PARITY shall constitute the official time.

FOR ELECTRONIC BIDS

Submit electronically via PARITY in accordance with its Rules of Participation and this Notice of Sale until 10:00 a.m., EST, but no bid will be received after the time for receiving bids specified above. Provisions in this Notice of Sale conflicting with those PARITY Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, the bid time and/or date may be postponed at the option of the County. For further information about PARITY, potential bidders may contact:

who is acting as financial advisor to the County, or

PARITY
40 West 23rd Street, 5th Floor
New York, New York 10014
Telephone: 212-404-8102

Submit electronically via PARITY in accordance with its Rules of Participation and this Notice of Sale until 11:00 a.m., PARITY, but no bid will be received after the time for receiving bids

specified above. Provisions in this Notice of Sale conflicting with those PARITY Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, the bid time and/or date may be postponed at the option of the County. For further information about PARITY, potential bidders may contact:

Public Advisory Consultants
25 Crossroads Drive
Suite 402
Owings Mills, Maryland 21117
Attention: Lester Guthorn/Susan Ostazeski
Telephone: 410-581-4820

who is acting as financial advisor to the County, or

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

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 contract customers of BIDCOMP 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 as if made by a signed, sealed bid delivered to the County. 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 and 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, he (she) should telephone PARITY (212-404-8102) and notify the County's Bond Counsel, Royston, Mueller, McLean & Reid, LLP, Attention: Stephen C. Winter, by facsimile at (410) 823-1708.

Electronic bids must be submitted for the purchase of the Bonds via PARITY. Bids will

be communicated electronically to the County at 10 a.m. (EST) on December 6, 2011. 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.

List of Members of Account

The facilities of PARITY currently do not allow the bidders to list the names of the members of the account on whose behalf the bid is made. Bidders who are submitting an electronic bid are requested to telecopy the names of the members of the account on whose behalf the bid is made to the County c/o Royston, Mueller, McLean & Reid, LLP, (410) 823-1708. Attention: Stephen C. Winter.

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

The County reserves the right to modify or amend this Notice of Sale, including changing the scheduled maturities or increasing or reducing the aggregate principal amount of Bonds and the principal amount of any maturity offered for sale, prior to the bid date. If any modifications occur, supplemental information with respect to the Bonds will be communicated via TM3 News Service (www.tm3.com) not later than 5:00 p.m., Baltimore, Maryland time, on the day preceding the last day on which proposals may be submitted, and bidders shall bid upon the Bonds based upon the terms thereof set forth in this Notice of Sale, as so modified by such supplemental information.

In addition, the County reserves the right to postpone the date established for the receipt of bids. In the event of a postponement, the new date and time of sale and any revised date of expected delivery will be announced via TM3 News Service not later than 9:00 a.m., Baltimore, Maryland time, on the day on which proposals may be submitted. On any such alternative sale date, bidders may submit sealed bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for the changed date and time of sale and any revised date of delivery.

Bid Parameters

No bid of less than 100% of par plus accrued interest from December 1, 2011 to the date of delivery of the Bonds, no oral bid and no bid for less than all of the Bonds described in this Notice of Sale, will be considered. The Bonds are expected to be awarded at approximately 3:00 p.m. prevailing Eastern Time on December 6, 2011. All proposals shall remain firm until the time of award. No interest rate may be bid that is lower than the interest rate in the immediately preceding year.

Authorization

The Bonds will be issued by the County pursuant to Bill Nos. 10-___ and 11-___ enacted by the County Council of the County on _____, 2010 and _____, 2011, respectively, effective _____, 2010 and _____, 2011, respectively (the "Authorized Legislation") and Resolution No. ____-____ adopted on _____, ____. The proceeds of the Bonds will be used primarily to finance the costs of the acquisition, renovation or new construction and equipping of certain capital projects described in the Authorized Legislation.

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 the County.

Procedures for Sale

As promptly as reasonably practicable after the bids are opened, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). The successful bidder shall pay the Aggregate Principal Amount of the Bonds plus the premium, plus accrued interest to the date of delivery. ALL BIDS SHALL REMAIN FIRM UNTIL 3:00 P.M. LOCAL BALTIMORE, MARYLAND TIME ON THE DATE OF SALE. An award of the Bonds pursuant to this Notice of Sale, if made, will be made by resolution of the County Council of Harford County, Maryland at or before 3:00 p.m. local Baltimore, Maryland time on the date of sale.

Price and Interest Rate Bid

Each bidder shall submit one bid, not less than par, on an "all-or-none" basis. Each 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 (1/20) of one percent (1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate; and the difference between the maximum and minimum interest rates specified may not exceed three percent (3%). A zero rate cannot be named for any maturity.

Good Faith Deposit.

A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the amount of $1,000,000 to be submitted to the County by the successful bidder not later than 3:00 p.m. (EDT) (the "Deposit Deadline") on the date of sale or (ii) a financial surety bond (a "Surety Bond") from an insurance company acceptable to the County and licensed to issue such a bond in the State of Maryland in the amount of the Deposit, each option as described in more detail below. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds, and no interest will be allowed or paid upon the amount thereof,

but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

If a federal funds wire transfer is used, the County shall distribute wiring instructions for the Deposit to the successful bidder(s) upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitation whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

If a Surety Bond is used, it must be submitted to the County prior to 5:00 p.m. (EDT) on the day prior to the date for receipt of bids, and must be in form and substance acceptable to the County, including (without limitation) identifying the bidder whose Deposit is guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then such successful bidder is required to submit its Deposit to the County not later than 12:00 p.m. (EDT) on the next business day following the award in accordance with wire instructions delivered by the County to such bidder. If such Deposit is not received by that time, the Surety Bond may be drawn by the County to satisfy the Deposit requirement.

Award of Bonds and Public Offering

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. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid, excluding interest accrued to the date of delivery; provided, however, that if two or more bidders have made bids, each of which represents the lowest true interest cost to the County, then the Bonds shall be awarded to the bidder offering the highest premium and, if the highest premium is offered by two or more such bidders or if no premium is bid by any such bidders, then the Bonds may be awarded, with their consent, in a ratable portion among such bidders, or the County, in its discretion, may award all of the Bonds to one bidder. The judgment of the County shall be final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale. THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED UNDER "CLOSING DOCUMENTS" BELOW.

Legal Opinion

The issuance of the Bonds will be subject to delivery of the approving opinion of Royston, Mueller, McLean & Reid, LLP, Towson, Maryland, which opinion shall be

substantially in the form set forth as an exhibit to the Preliminary Official Statement referred to below. The opinion will be delivered upon request, without charge, to the successful bidder for the Bonds.

Official Statement

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser or purchasers at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 500 copies of the Official Statement and any amendments or supplements thereto.

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

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 County agrees, in order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), pursuant to a continuing disclosure certificate (the "Continuing Disclosure Certificate") 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 Certificate shall be set forth in any Preliminary Official Statement and Official Statement and any amendment or supplement thereto.

BIDDERS, BY SUBMITTING THEIR BIDS, AGREE TO PROVIDE THE COUNTY, SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE COUNTY STATING (i) THE INITIAL REOFFERING PRICES, EXPRESSED AS A PERCENTAGE OF PAR, TO THE PUBLIC OF EACH MATURITY OF THE BONDS (THE "REOFFERING PRICES"), (ii) THAT THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; AND (iii) THAT A SUBSTANTIAL AMOUNT OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in part amount of the Bonds of each maturity at or below the Initial Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other acts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirements to avoid the establishment of an artificial price for the Bonds.

Book-Entry Only Form

The Bonds will be issued in book-entry-only form, registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds. Information concerning DTC and its book-entry system is included in the Preliminary Official Statement concerning the Bonds dated _____, 2011 (the "Preliminary Official Statement") and bidders should rely solely on that material.

Interest Payment Dates

The Bonds will be dated December 1, 2011 and will bear interest from that date payable on _____, ____ and semiannually thereafter on each _____ and _____ until maturity or redemption.

Maturity Schedule

The Bonds will mature on February 1 in each of the years 2012 through 2031 inclusive, as follows (the "Maturity Schedule"):

Years of Maturity	Annual Amounts Maturity	Years of Maturity	Annual Amounts Maturity
2012	$1,400,000	2022	$1,400,000
2013	$1,400,000	2023	$1,400,000
2014	$1,400,000	2024	$1,400,000

2015	$1,400,000	2025	$1,400,000
2016	$1,400,000	2026	$1,400,000
2017	$1,400,000	2027	$1,400,000
2018	$1,400,000	2028	$1,400,000
2019	$1,400,000	2029	$1,400,000
2020	$1,400,000	2030	$1,400,000
2021	$1,400,000	2031	$2,070,000

Optional Redemption

Bonds which mature on or before _____ are not subject to redemption prior to maturity. On and after _____, the Bonds with a stated maturity on or after _____ are subject to redemption at the option of the County in whole at any time or in part on any Interest Payment Date. Such redemption shall be at the following redemption prices (expressed as a percentage of the principal amount of such Bonds), plus accrued and unpaid interest to the date fixed for redemption:

Redemption Period	Redemption Price
	_____%
	_____%
	_____%

Delivery

Delivery of the Bonds is expected to occur through the facilities of DTC in New York, New York on or about December 16, 2011. The successful bidder shall pay for the Bonds on the date of delivery in Baltimore, Maryland in **IMMEDIATELY AVAILABLE FEDERAL FUNDS** BY 10:00 a.m., EDT, on the closing date. Any expenses of providing immediately available funds shall be borne by the successful bidder. Payment on the delivery date shall be made in an amount equal to the price bid for the Bonds plus accrued interest from December 1, 2011, less the amount of the Good Faith Deposit.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the Bonds, 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 the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder of the Bonds to accept delivery or and make payment for the Bonds.

Closing Documents

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

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 successful bidder shall be furnished a certificate or certificates of the County Executive and Treasurer to the effect that to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information, as to which no view will be expressed) 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 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 there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement.

In the event that all or any part of the Bonds are initially reoffered with bond insurance secured by the successful bidder, the successful bidder shall be required to notify immediately the Treasurer of the County at the time of sale of such event and shall provide the Treasurer of the County with any information he reasonably requests regarding such bond insurance, including the amounts paid for such insurance and interest rates that the bonds would have borne should the bid have occurred without bond insurance. The County will, at the request and expense of the successful bidder, include customary language in the Official Statement and the form of bond regarding the insurance policy upon receipt of such opinions or certificates as the County reasonably may request regarding the accuracy of any information to be included in the Official Statement and the binding nature of the obligations contained in the insurance policy with respect to the Bonds. The County shall have no obligation to provide the successful bidder or the bond insurance company with any other documents or opinions relating to the Bonds.

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 Kathryn L. Hewitt, Treasurer, 220 South Main Street, Bel Air, Maryland 21014 (410-638-3316) or from the County's Financial Advisor, _____, Attention: _____, Telephone: _____.

Date:

HARFORD COUNTY, MARYLAND

By:_____
David R. Craig
County Executive

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 sale of the bonds, by administrative resolution(s), determine whether the bonds may be sold above or below par, whether bids may be accepted electronically or by facsimile, 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 Twenty Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000) 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 recommendation of the County Executive the interest rate or rates payable thereon shall be fixed by a resolution of the County Council of Harford County, Maryland in accordance with the terms and conditions of the sale of the bonds. The bonds shall thereupon be suitably printed or engraved and duly executed and delivered to the purchaser (or to the Depository Trust Company if the bonds are book entry) in accordance with the conditions of delivery set forth in the foregoing Notice of Sale. The proceeds of the sale of the bonds, including any premium and accrued interest received therefor, shall be paid to the Department of the Treasury of Harford County and shall be deposited in a special account of the County. The County may, at its option, deduct from the gross proceeds

received from the sale of the bonds the cost of issuing the same, including the cost of advertising, printing and professional fees (including legal) and expenses. There shall be deducted from the total gross proceeds received from the sale of the bonds the amount received on account of accrued interest on the bonds, which amount shall be set apart by the Treasurer of Harford County in a special fund and applied to the first maturing interest payment on the bonds. The balance of the proceeds of the sale of the bonds shall be expended only to finance the Projects as set forth in this Bill and as more particularly described in the Annual Budget and Appropriation Ordinance of the County, as amended, for the year ending June 30, 2012. If the funds derived from the sale of the bonds shall exceed the amount needed to finance said Projects, the excess funds so borrowed and not 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 Bill 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 Bill, 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 Bill hereby covenants and agrees properly and promptly to perform all of the respective acts and duties defined in this Bill 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, Series 2011. By this Bill, 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 (or other form of indebtedness) on the full faith and credit and unlimited taxing power of the County in an amount not exceeding Twenty Eight Million Six Hundred Seventy Thousand Dollars ($28,670,000), 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 provide that not in excess of twelve (12) months interest from the date of issue shall be paid from the proceeds of bonds issued to retire the indebtedness insured pursuant to the Bond Anticipation Note.

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 Bill.

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.

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

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

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

12 SECTION 18. Be it further enacted by the County Council of Harford County, Maryland
13 that pursuant to Treasury Regulations 1.150-2, governing the use of bond proceeds for the
14 purpose of reimbursing expenditures paid prior to the issuance of bonds, and as permitted by
15 Treasury Regulations 1.150-2(e)(1), the Treasurer of Harford County, Maryland is hereby duly
16 designated to make declarations of Official Intent on behalf of the County. The County expects
17 that all or a part of the capital expenditures for the Projects will be paid prior to the issuance of
18 the Bonds, and that the proceeds of the Bonds will be used to reimburse the County for capital
19 expenditures paid prior to the issuance of the Bonds. The County reasonably expects to
20 reimburse a portion of the capital expenditures for the Projects with proceeds of the Bonds, in the
21 maximum principal amount of Twenty-Five Million Dollars ($25,000,000), and this Bill shall be
22 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 19 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.

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 20. Be it further enacted by the County Council of Harford County, Maryland
8 that upon recommendation of the County Executive, the County Council of Harford County,
9 Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of
10 Maryland (2002 Volume, 2010 Supplement) authorizing the loan authorized to be incurred and
11 the bonds authorized to be sold by this Bill, to be consolidated for sale and issued, sold and
12 delivered as a single issue of bonds with other bonds authorized to be sold to finance capital
13 projects described in the Annual Budget and Appropriation Ordinances, as amended, for the
14 current fiscal year and/or prior or subsequent fiscal years.

15 SECTION 21. Be it further enacted by the County Council of Harford County, Maryland
16 that the provisions of this Bill are severable, and if any provision, sentence, clause, section or
17 part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or
18 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect
19 or impair any of the remaining provisions, sentences, clauses, sections or parts of this Bill or their
20 application to other persons or circumstances. It is hereby declared to be the legislative intent
21 that this Bill 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 Bill 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 Bill shall take effect sixty (60) calendar days from the date it became law.

EFFECTIVE: September 19, 2011

The Acting Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

Mary Kate Healy
Acting Council Administrator

BILL NO. 11-28

HARFORD COUNTY BILL NO. 11-28

Brief Title 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

Mary Kate Herbig
Acting Council Administrator

Date July 12, 2011

ENROLLED

Billy Boniface
Council President

Date July 12, 2011

BY THE COUNCIL

Read the third time.

Passed: LSD 11-18

Failed of Passage: _____

By Order

Mary Kate Herbig
Acting Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 14th day of July, 2011 at 3:00 p.m.

Mary Kate Herbig
Acting Council Administrator

BY THE EXECUTIVE

David R. Craig
COUNTY EXECUTIVE

APPROVED: Date July 19, 2011

BY THE COUNCIL

This Bill No. 11-28 having been approved by the Executive and returned to the Council, becomes law on July 19, 2011.

EFFECTIVE DATE: September 19, 2011

Mary Kate Herbig
Mary Kate Herbig
Acting Council Administrator