

COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 13-05
RESOLUTION NO. 12-2013

Title of Resolution: Refunding Bonds of 2013

Synopsis: A Resolution to authorize and empower Cecil County, Maryland to issue and sell an aggregate principal amount not to exceed Twenty Four Million Dollars (\$24,000,000) par value, subject to adjustment as provided herein, of serial maturity, general obligation, fully registered bonds, authorized by Article 31, Section 24 of the Annotated Code of Maryland (2010 Replacement Volume), such bonds to be designated "Cecil County, Maryland Refunding Bonds of 2013," such bonds to be sold and issued for the purpose of refunding certain outstanding general obligation bonds of the County in order to realize savings to the County in the aggregate cost of debt service, all as hereinafter described; to prescribe the form and tenor of such bonds, the form of the notice of public sale thereof and the terms and conditions for the public sale and issuance thereof, including the manner of advertisement of such sale; to prescribe the bidding procedures to be used at such sale; to prescribe the terms of such bonds and all other details incident thereto; to authorize the execution and delivery of an escrow deposit agreement between the County and Manufacturers and Traders Trust Company, as escrow deposit agent; to provide for the payment, as and when due, of the interest on and principal and redemption price of the general obligation bonds that are to be refunded; to provide for the redemption of the refunded bonds that are to be redeemed prior to their respective maturities on the earliest practicable dates as described herein; to provide for the levy and collection of taxes in rate and amount sufficient, together with funds from other sources, to pay the principal of and interest on such bonds as they mature; and to provide generally for the sale, issuance and delivery of such bonds.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted on: March 5, 2013

Scheduled for consideration: March 19, 2013

Notice and title of Resolution having been posted by March 8, 2013 at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on March 19, 2013.

By: James Massey
Council Manager

COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
RESOLUTION NO. 12-2013

1

2 **WHEREAS**, pursuant to Article 31, Section 24 of the Annotated Code of Maryland (2010
3 Replacement Volume) (the “Refunding Act”), the County may issue bonds for the purpose of refunding
4 any of its bonds then outstanding, including the payment of any redemption premium and any interest
5 accrued or to accrue to the date of redemption, purchase or maturity of such bonds, for the purpose of
6 realizing savings in the aggregate cost of debt service on either a direct comparison or present value basis;
7 and

8 **WHEREAS**, Davenport & Company LLC, the County’s financial advisor, has advised the County
9 that the County may be able to realize savings in the aggregate cost of debt service on certain of its
10 outstanding general obligation bonds; and

11 **WHEREAS**, based on the foregoing advice, pursuant to the Refunding Act, the County Council
12 desires to provide by this resolution for the issuance of the County's general obligation bonds in the
13 aggregate principal amount not to exceed \$24,000,000, subject to adjustment as herein provided, for the
14 above-stated purposes, and to provide for and determine various matters in connection therewith.

15 **NOW, THEREFORE, BE IT HEREBY RESOLVED** that:

16 Section 1: In accordance with the authority of Article 31, Section 24 of the Annotated Code
17 of Maryland (2010 Replacement Volume) (the “Refunding Act”), the County hereby determines that it is
18 necessary to borrow money and incur indebtedness for the purpose of providing funds to refund (1)
19 \$745,000 principal amount of the County Commissioners of Cecil County Consolidated Public
20 Improvement and Refunding Bonds of 2002, which mature on December 1 in the years 2014 and 2015 (the
21 “Refunded 2002 Bonds”), (2) \$7,985,000 principal amount of the County Commissioners of Cecil County
22 Consolidated Public Improvement and Refunding Bonds of 2005, which mature on November 1 in the
23 years 2016 through 2018, inclusive, 2024 and 2025 (the “Refunded 2005 Bonds”), and (3) \$9,710,000
24 principal amount of the County Commissioners of Cecil County Consolidated Public Improvement Bonds
25 of 2007, which mature on December 1 in the years 2021 through 2025, inclusive (the “Refunded 2007
26 Bonds”, and collectively with the Refunded 2002 Bonds and the Refunded 2005 Bonds, the “Refunded
27 Bonds”), in each case as more particularly described in Exhibit A hereto and subject to adjustment as
28 hereinafter provided, in order to realize savings to the County in the aggregate cost of debt service. Such
29 refunding shall be effected by (i) depositing funds with the County to redeem the Refunded 2002 Bonds on
30 the Closing Date (hereinafter defined) or as soon as practicable thereafter and (ii) purchasing non-callable
31 direct obligations of, or obligations the timely payment of the principal of and interest on which is
32 unconditionally guaranteed by, the United States of America (“Government Obligations”), in such amounts
33 and maturing at stated fixed prices as to principal and interest at such times as will be sufficient to (a) pay
34 all interest on the Refunded 2005 Bonds and the Refunded 2007 Bonds (collectively, the “Advance
35 Refunded Bonds”) becoming due and payable before their maturity date or redemption date, as applicable

36 and (b) to pay the principal or redemption price of the Advance Refunded Bonds on their
37 maturity date or redemption date, respectively, all as provided in the Escrow Deposit Agreement
38 (hereinafter defined). It is hereby estimated and determined that the costs of such refunding will
39 be not more than Twenty Four Million Dollars (\$24,000,000), subject to adjustment as
40 hereinafter provided, and that such costs, together with any portion of the costs of the issuance of
41 the Bonds that the Director of Finance of Cecil County, Maryland (the "Director of Finance")
42 determines to finance with the proceeds thereof, are to be financed to such extent from the
43 proceeds of the sale of the Bonds.

44 Section 2: To evidence the borrowing and indebtedness hereinbefore described
45 and acting pursuant to the authority of the Refunding Act, the County shall issue and sell upon its
46 full faith and credit an aggregate principal amount not to exceed Twenty Four Million Dollars
47 (\$24,000,000) par value, subject to adjustment as provided herein, of serial maturity, general
48 obligation, fully registered bonds of the County. Such issue of bonds shall be designated as
49 "Cecil County, Maryland Refunding Bonds of 2013" (the "Bonds"). The net proceeds of the sale
50 of the Bonds shall be used to refund the Refunded Bonds, all as provided by, and without in any
51 way limiting the provisions of, the Refunding Act.

52 Notwithstanding the foregoing provisions of this Resolution, the Bonds may be
53 issued in one or more series, from time to time, as the County Executive of Cecil County,
54 Maryland (the "County Executive") may deem appropriate upon the advice of the financial
55 advisor and bond counsel employed by the County. In such event, the terms of such series of
56 bonds, the method of sale thereof and all other matters regarding the sale, issuance and delivery
57 of such series of bonds shall be determined by an executive order executed and delivered by the
58 County Executive.

59 Section 3: (a) The Bonds shall all be dated their date of initial delivery (the
60 "Closing Date"), shall be in the denomination of Five Thousand Dollars (\$5,000) each or any
61 integral multiple thereof, and shall be numbered from R-1 (or such other numbering which may
62 be acceptable to the County, as determined by the County Executive) consecutively upwards in
63 the order of their maturities, and shall mature, subject to prior redemption and adjustment as
64 provided herein, on the first day of November in annual serial installments, as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2014	\$2,000,000	2020	\$2,000,000
2015	2,000,000	2021	2,000,000
2016	2,000,000	2022	2,000,000
2017	2,000,000	2023	2,000,000
2018	2,000,000	2024	2,000,000
2019	2,000,000	2025	2,000,000

65

66

67 Notwithstanding the foregoing, the County Executive may determine, based upon
68 the advice of the County's financial advisor and bond counsel to allow bidders to designate in
69 their bids for the Bonds two or more consecutive serial maturities as a term bond which matures
70 on the maturity date of the last serial maturity of the sequence. Any term bond designated by
71 the successful bidder in its bid shall be subject to mandatory redemption from sinking fund
72 installments on November 1 of each year and in the amount of each serial maturity designated
73 for inclusion in such term bond. If a term bond is redeemed in part, the sinking fund installments
74 for such term bond shall be reduced on a pro rata basis. To the extent that the bid of the
75 successful bidder designates one or more term bonds, any resulting change to the maturity
76 schedule and redemption provisions for the Bonds shall be approved by the Executive Order
77 (hereinafter defined).

78
79 Section 4: The Bonds maturing on or before November 1, 2023 shall not be
80 subject to redemption prior to their maturities. The Bonds maturing on and after November 1,
81 2024, shall be subject to redemption at any time on or after November 1, 2023, as a whole or in
82 part, at the option of the County, at a redemption price equal to 100% of the principal amount of
83 the Bonds to be redeemed, plus accrued interest thereon to the redemption date. If the County
84 shall elect to redeem all or a portion of the Bonds, it shall deliver a redemption notice to the
85 Depository (hereinafter defined) not less than 30 days prior to the date fixed for redemption (or
86 such fewer number of days as shall be acceptable to the Depository) by a secure means in
87 accordance with the Depository's applicable operational arrangements. If the book-entry system
88 is discontinued for the Bonds, the County shall give a redemption notice not less than 30 days
89 prior to the redemption date by letter mailed first class, postage prepaid, to the registered owners
90 of the Bonds to be redeemed at their last addresses appearing on the registration books
91 maintained by the Registrar (hereinafter defined). Failure to deliver or mail any such notice with
92 respect to a particular Bond or any defect in such notice, or in the delivery or mailing thereof,
93 shall not affect the validity of the redemption proceedings. The redemption notice shall state (i)
94 whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities and
95 numbers of the Bonds to be redeemed, (ii) the conditions, if any, to the redemption, (iii) that the
96 interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iv) the date
97 fixed for redemption and the redemption price and (v) that the Bonds to be redeemed shall be
98 presented for redemption and payment on the date fixed for redemption at the designated
99 corporate trust office of the Paying Agent (hereinafter defined). If less than all of the Bonds
100 shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be
101 selected by the County. If less than all of the Bonds of any one maturity shall be called for
102 redemption, the particular Bonds to be redeemed shall be selected by lot by the Registrar, except
103 that so long as a Depository or its nominee is the sole registered owner of the Bonds, the
104 particular Bonds or portion to be redeemed shall be selected by the Depository, in such manner
105 as the Depository shall determine. Each \$5,000 portion of a Bond shall be treated as a separate
106 bond in the selection by lot of Bonds to be redeemed. When less than all of a Bond in a
107 denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be
108 issued without charge to the registered owner thereof a Bond or Bonds in any of the authorized
109 denominations as specified by the registered owner. The amount of the Bond or Bonds issued
110 shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and
111 the Bond or Bonds issued shall bear the same interest rate and shall mature on the same date as
112 the Bond surrendered.

113
114 From and after the date fixed for redemption, if funds sufficient for the payment
115 of the redemption price are held by the Paying Agent on such date, the Bonds designated for
116 redemption shall become due and payable at the redemption price provided for the redemption of
117 such Bonds on such date, interest on the Bonds shall cease to accrue and the registered owners of
118 such Bonds so called for redemption shall have no rights in respect thereof except to receive
119 payment of the redemption price thereof from such monies held by the Paying Agent. Upon
120 presentation and surrender of a Bond called for redemption in compliance with the redemption
121 notice, the Paying Agent shall pay the appropriate redemption price of such Bond. If they are
122 not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at
123 the rates stated therein until paid.

124
125 Section 5: The Bonds shall be sold and issued on the full faith and credit of the
126 County, shall be fully registered as to both principal and interest, shall bear interest at the rate or
127 rates named by the successful bidder for the Bonds in accordance with the terms of the official
128 Notice of Sale hereinafter set forth, and interest on the Bonds shall be payable semi-annually on
129 the first day of May and November, commencing November 1, 2013, until maturity or earlier
130 redemption. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting
131 of twelve 30-day months. Each of the Bonds shall be executed in the name of the County and on
132 its behalf by the manual or facsimile signatures of the County Executive and the Director of
133 Finance and the corporate seal of the County or a facsimile thereof, shall be imprinted or
134 otherwise reproduced thereon, and attested by the manual or facsimile signature of the Director
135 of Administration of Cecil County, Maryland (the "Director of Administration"). Each of the
136 Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar. If
137 by facsimile, the facsimiles of such signatures and seal shall be engraved, printed or lithographed
138 on the Bonds in accordance with, and pursuant to the authority of, Sections 2-301 to 2-306,
139 inclusive, of the State Finance and Procurement Article of the Annotated Code of Maryland
140 (2009 Replacement Volume). The County Executive, the Director of Finance and the Director of
141 Administration, by the execution of appropriate signature certificates, shall adopt, as and for their
142 own proper signatures, their respective facsimile signatures on the Bonds if facsimile signatures
143 are used.

144 The Bonds shall be registered in the name or names of the owner or owners
145 thereof at the designated corporate trust office of Manufacturers and Traders Trust Company,
146 which is hereby designated as Registrar and Paying Agent for the Bonds (the "Registrar" or the
147 "Paying Agent"). The County Executive is hereby authorized and directed to execute and
148 deliver an agreement with the Paying Agent and Registrar (the "Paying Agent Agreement"), in
149 such form and containing such provisions as the County Executive deems necessary and
150 appropriate (as evidenced by her execution and delivery of such Paying Agent Agreement). The
151 County Executive, the Director of Finance and their designees are each authorized to take all
152 actions on behalf of the County pursuant to the Paying Agent Agreement. The County
153 Executive, on behalf of the County, may name a substitute or successor Registrar or Paying
154 Agent upon 30 days' written notice to the registered owners of the Bonds (or if the Bonds are
155 maintained under a book-entry system as described in Section 6 of this Resolution, such lesser
156 number of days as shall be acceptable to the Depository).

157 The County and the Paying Agent may deem and treat the person in whose name
158 a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on
159 account of the principal or redemption price thereof and interest thereon and for all other
160 purposes. The Bonds shall be payable to the registered owners, in any lawful money of the
161 United States of America at the time of payment, as to principal at the designated corporate trust
162 office of the Registrar, and as to interest by check mailed to the registered owners, as shown in
163 the registration books to be maintained by the Registrar (the "Bond Register") on the fifteenth
164 day of the month immediately preceding each interest payment date.

165 The Bonds will be transferable only upon the Bond Register, by the registered
166 owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof
167 together with a written instrument of transfer in the form attached thereto or such other form as is
168 satisfactory to the Registrar and duly executed by the registered owner or his duly authorized
169 attorney.

170 The Bonds may be transferred or exchanged at the designated corporate trust
171 office of the Registrar. Upon any transfer or exchange, the County shall execute and the
172 Registrar shall authenticate and deliver a new registered Bond or Bonds without coupons of any
173 authorized denomination in an aggregate principal amount equal to the principal amount of the
174 Bond exchanged or transferred and maturing on the same date and bearing interest at the same
175 rate. In each case, the Registrar may require payment by any registered owner requesting the
176 exchange or transfer of any tax, fee or other governmental charge, shipping charges and
177 insurance that may be required to be paid with respect thereto, but otherwise no charge shall be
178 made to the registered owner for the exchange or transfer.

179 The Registrar shall not be required to transfer or exchange any Bond after the
180 mailing of notice calling such Bond or portion thereof for redemption; provided, however, that
181 this limitation shall not apply to that portion of a Bond in excess of \$5,000 which is not being
182 called for redemption.

183 If the book-entry system described in Section 6 of this Resolution is discontinued,
184 there shall be printed on each replacement certificated Bond the text of the approving legal
185 opinion of bond counsel. Such printed text shall be certified in the name of the County to be a
186 correct copy of such opinion by the facsimile signature of the County Executive.

187 Section 6: Notwithstanding anything to the contrary contained in this Resolution,
188 the Bonds shall initially be maintained under a book-entry system with The Depository Trust
189 Company, New York, New York ("DTC"). So long as the Bonds shall be maintained under a
190 book-entry system with DTC or any other securities depository appointed pursuant to this
191 Section (each a "Depository"), the provisions of this Section shall apply to the Bonds.

192 (a) The principal or redemption price of and interest on the Bonds shall be
193 payable to the Depository, or registered assigns, as the registered owner of the Bonds, in same
194 day funds on each date on which the principal or redemption price of or interest on the Bonds is
195 due as set forth in this Resolution and in the Bonds. Such payments shall be made to the offices
196 of the Depository specified by the Depository to the County and the Paying Agent in writing.
197 Without notice to or the consent of the beneficial owners of the Bonds, the County, the Paying

198 Agent and the Depository may agree in writing to make payments of principal and interest in a
199 manner different from that set out herein. Neither the County nor the Paying Agent shall have
200 any obligation with respect to the transfer or crediting of the appropriate principal and interest
201 payments to the direct or indirect participants of the Depository (the "Participants") or the
202 beneficial owners of the Bonds or their nominees.

203 (b) In the event that part but not all of any Bond is to be retired (by
204 redemption or otherwise), the Depository, in its discretion, (i) may request the Registrar to
205 authenticate and deliver a new Bond in accordance with Section 5 of this Resolution upon
206 presentation and surrender of such Bond to the Registrar or (ii) shall make appropriate notation
207 on the Bond certificate indicating the date and amount of each principal payment, provided that
208 payment of the final principal amount of any Bond shall be made only upon presentation and
209 surrender of such Bond to the Paying Agent.

210 (c) So long as the Depository or its nominee is the registered owner of the Bonds,
211 the County and the Paying Agent will recognize the Depository or its nominee, respectively, as
212 the holder of all of the Bonds for all purposes, including (without limitation) the payment of the
213 principal or redemption price of and interest on the Bonds, the giving of notices and any consent
214 or direction required or permitted to be given to, or on behalf of, the holders of the Bonds under
215 this Resolution.

216 (d) The County Executive, on behalf of the County, may, in her discretion, at any
217 time, replace any Depository as the depository for the Bonds with another qualified Depository
218 or discontinue the maintenance of the Bonds under a book-entry system upon at least 30 days'
219 prior notice to the Depository (or such fewer number of days as shall be acceptable to the
220 Depository). A copy of such notice shall be delivered promptly to the Registrar and the Paying
221 Agent.

222 (e) If the County discontinues the maintenance of the Bonds under a book-entry
223 system, the County will issue or cause to be issued replacement certificated bonds directly to the
224 Participants as shown on the records of the Depository or, to the extent requested in writing by
225 any Participant, to the beneficial owners of Bonds as further described in this Section. The
226 County shall make provisions to notify Participants and the beneficial owners of the Bonds, by
227 mailing an appropriate notice to the Depository, or by other means deemed appropriate by the
228 County in its discretion, that it will issue replacement bonds directly to the Participants as shown
229 on the records of the Depository or, to the extent requested in writing by any Participant, to the
230 beneficial owners of Bonds shown on the records of such Participant, as of a date set forth in
231 such notice, which shall be a date at least 10 days after the date of mailing of such notice (or
232 such fewer number of days as shall be acceptable to the Depository).

233 In the event that replacement bonds are to be issued to Participants or to beneficial
234 owners of the Bonds, the County shall promptly have prepared replacement bonds in certificated
235 form registered in the names of such Participants as shown on the records of the Depository or, if
236 requested in writing by such Participants, in the names of the beneficial owners of the Bonds, as
237 shown on the records of such Participants as of the date set forth in the notice delivered in
238 accordance with the immediately preceding paragraph. Replacement bonds issued to Participants

239 or to beneficial owners shall be in authorized denominations and be in fully registered form in
240 substantially the form set forth in Section 7 of this Resolution.

241 In the event that replacement bonds are to be printed in certificated form, the
242 County is hereby authorized to modify the form of the Bonds set forth in Section 7 of this
243 Resolution to provide for printing of the text of the Bonds on the obverse and reverse sides of the
244 certificate. The County may also include language on the face of the Bonds in substantially the
245 following form:

246 "REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS
247 OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH
248 FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME
249 EFFECT AS IF SET FORTH AT THIS PLACE."

250 Replacement bonds issued to a Depository shall have the same terms, form
251 and content as the Bonds initially registered in the name of the Depository to be replaced or its
252 nominee except for the name of the record owner and any changes to the form of Bonds made
253 pursuant to this paragraph (e).

254 (f) Each Depository and its Participants and the beneficial owners of the Bonds,
255 by their acceptance of the Bonds, agree that neither the County nor the Paying Agent shall have
256 any liability for the failure of any Depository to perform its obligations to the Participants and
257 the beneficial owners of the Bonds, nor shall the County or the Paying Agent be liable for the
258 failure of any Participant or other nominee of the beneficial owners to perform any obligation the
259 Participant may incur to a beneficial owner of the Bonds.

260 Section 7: Except as provided hereinafter, in a resolution of the County Council
261 adopted prior to the issuance of the Bonds or in the Executive Order, the Bonds shall be in
262 substantially the following form (with appropriate variations, omissions and insertions as
263 permitted or required by this Resolution or any such subsequent resolution or executive order),
264 which form, and all of the covenants and conditions therein contained, is hereby adopted by the
265 County as and for the form of obligation to be incurred by the County, and said covenants and
266 conditions, upon the sale and issuance of the Bonds, are hereby made binding upon the County,
267 including the promise to pay therein contained:

268

269 [BOOK-ENTRY FORM OF BOND]

270 REGISTERED REGISTERED
271 NUMBER
272 R- \$ _____

273 UNITED STATES OF AMERICA
274 STATE OF MARYLAND
275 CECIL COUNTY, MARYLAND
276 REFUNDING BOND OF 2013

277
278 INTEREST RATE MATURITY DATE DATED DATE CUSIP
279 [Date of Initial Delivery]

280 REGISTERED OWNER:

281 PRINCIPAL AMOUNT:

282 CECIL COUNTY, MARYLAND, a body corporate and politic organized and existing
283 under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges
284 itself indebted for value received and promises to pay to the registered owner identified above or
285 registered assigns, as hereinafter provided, on the maturity date set forth above, the principal
286 amount set forth above and interest thereon from the dated date set forth above, semiannually on
287 May 1 and November 1 of each year, commencing November 1, 2013, at the interest rate set
288 forth above, until maturity or prior redemption as herein provided. Interest on this bond shall be
289 calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal
290 amount hereof is payable in any lawful money of the United States of America, at the time of
291 payment, upon presentation and surrender hereof at the designated corporate trust office of
292 Manufacturers and Traders Trust Company, or of any successor thereto (the "Registrar" and
293 "Paying Agent"). Payment of each installment of interest hereon shall be made to the registered
294 owner hereof whose name is registered on the registration books (the "Bond Register")
295 maintained by the Registrar, as of the close of business on the fifteenth day of the month
296 immediately preceding each interest payment date, by check mailed to such registered owner at
297 the address last appearing on the Bond Register.

298 This bond is one of a duly authorized issue of general obligation bonds of the County,
299 designated "Cecil County, Maryland Refunding Bonds of 2013" in the aggregate principal
300 amount of \$ _____ (the "Bonds"), all dated as of the Dated Date set forth above, and which
301 are of like tenor except as to numbers, maturities, interest rates and principal amounts. The
302 Bonds mature, subject to prior redemption, on November 1 in the years 2014 to 2025, inclusive,
303 as follows:

304
305
306

307

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2014		2020	
2015		2021	
2016		2022	
2017		2023	
2018		2024	
2019		2025	

308

309

310

311

312

313

314

The Bonds are issued under the provisions of Article 31, Section 24 of the Annotated Code of Maryland (2010 Replacement Volume), and are authorized to be issued and awarded by a Resolution adopted by the County Council of Cecil County, Maryland on March 19, 2013 (the “Resolution”) and an Executive Order adopted by the County Executive of Cecil County, Maryland on April 23, 2013 (the “Executive Order”).

315

316

317

318

319

320

321

322

323

324

325

326

327

The Bonds which mature on or before November 1, 2023 are not subject to redemption prior to their maturities. The Bonds which mature on or after November 1, 2024, are subject to redemption at any time on or after November 1, 2023, as a whole or in part, at the option of the County, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date. Notice of call for redemption shall be delivered to the Depository (as defined in the Resolutions) prior to the date fixed for redemption by a secure means as prescribed in the Resolutions. If the book-entry system is discontinued for the Bonds, the County shall give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Registrar not less than 30 days prior to the redemption date. Failure to deliver or mail any such notice with respect to a particular Bond or any defect in such notice, or in the delivery or mailing thereof, shall not affect the validity of the redemption proceedings.

328

329

330

331

332

If less than all of the Bonds are called for redemption, the particular maturities to be redeemed shall be selected by the County. If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds of that maturity to be redeemed shall be selected by lot by the Registrar. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

333

334

335

336

If, on the date fixed for redemption, moneys for payment of the redemption price are held by the Paying Agent, then the Bonds so called for redemption shall become and be due and payable at such redemption price, and from and after the date of redemption fixed in the notice of call for redemption, interest on the Bonds so called for redemption shall cease to accrue.

337

338

339

So long as all of the Bonds shall be maintained in Book-Entry Form with a Depository (as defined in the Resolutions) in accordance with the Resolutions: (1) in the event that fewer than all Bonds of any one maturity shall be called for redemption, the Depository, and not the

340 Registrar, will select the particular accounts from which Bonds or portions thereof will be
341 redeemed in accordance with the Depository's standard procedures for redemption of obligations
342 such as the Bonds; (2) in the event that part, but not all, of this Bond shall be called for
343 redemption, the holder of this Bond may elect not to surrender this Bond in exchange for a new
344 Bond in accordance with the provisions hereof and in such event shall make a notation indicating
345 the principal amount of such redemption and the date thereof on the Payment Grid attached
346 hereto; and (3) payments of principal or redemption price of and interest on this Bond shall be
347 payable to the Depository or its assigns in accordance with the provisions of the Resolutions.
348 For all purposes, the principal amount of this Bond outstanding at any time shall be equal to the
349 lesser of (A) the principal sum shown on the face hereof and (B) such principal sum reduced by
350 the principal amount of any partial redemption of this Bond following which the holder of this
351 Bond has elected not to surrender this Bond in accordance with the provisions hereof. The
352 failure of the holder hereof to note the principal amount of any partial redemption on the
353 Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation
354 of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE
355 OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN
356 PAID.

357 The Bonds are issuable only in fully registered form without coupons in denominations
358 of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount maturing
359 in any year.

360 This Bond is transferable only upon the Bond Register by the registered owner hereof in
361 person or by the registered owner's attorney duly authorized in writing, upon surrender hereof
362 together with a written instrument of transfer in the form of the Assignment shown hereon or
363 such other form as shall be satisfactory to the Registrar, duly executed by the registered owner or
364 the registered owner's duly authorized attorney. Within a reasonable time after such surrender,
365 the County shall issue in the name of the transferee or transferees a new Bond or Bonds of any
366 authorized denomination, in an aggregate principal amount equal to the principal amount of this
367 Bond, and maturing on the same date and bearing interest at the same rate as this Bond. The new
368 Bond or Bonds shall be delivered to the transferee or transferees only after payment of any
369 required tax or other governmental charge relating to such transfer and only after due
370 authentication thereof by an authorized officer of the Registrar.

371 The County and the Paying Agent may treat the person in whose name this Bond is
372 registered as the absolute owner hereof for the purpose of receiving payment of or on account of
373 the principal hereof and interest hereon and for all other purposes and neither the County nor the
374 Paying Agent shall be affected by notice to the contrary.

375 The full faith and credit and unlimited taxing power of the County are hereby irrevocably
376 pledged to the payment of the principal of and interest on this Bond according to its terms.

377 It is hereby certified and recited that all conditions, acts and things required by the
378 Constitution or statutes of the State of Maryland, the Charter and laws of the County, the
379 Resolution and the Executive Order to exist, to have happened or to have been performed
380 precedent to or in the issuance of this Bond, exist, have happened and have been performed, and

381 that the issue of Bonds of which this is one, together with all other indebtedness of the County, is
382 within every debt and other limit prescribed by such Constitution, statutes, Charter or laws.

383 This Bond shall not be valid or become obligatory for any purpose until the Certificate of
384 Authentication hereon has been signed by an authorized officer of the Registrar.

385 IN WITNESS WHEREOF, CECIL COUNTY, MARYLAND has caused this Bond to be
386 executed in its name by the [facsimile] [manual] signature of the County Executive of Cecil
387 County, Maryland and Director of Finance of Cecil County, Maryland and [a facsimile of] its
388 Seal to be imprinted or otherwise reproduced hereon, attested by the [facsimile] [manual]
389 signature of the Director of Administration of Cecil County, Maryland, all as of the dated date
390 set forth above.

391 (COUNTY SEAL)

392

393 ATTEST: CECIL COUNTY, MARYLAND

394

395

396 (Facsimile signature) By: (Facsimile Signature)
397 Director of Administration County Executive

398

399 By: (Facsimile Signature)
400 Director of Finance

401 CERTIFICATE OF AUTHENTICATION

402 The undersigned hereby certifies that this is one of
403 the registered bonds of Cecil County, Maryland
404 Refunding Bonds of 2013.

405

406 MANUFACTURERS AND TRADERS TRUST COMPANY
407 Registrar

408 By: _____
409 Authorized officer

410 Authentication Date: _____

411

412 ASSIGNMENT

413 FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto
414 _____
415 _____
416 (Please Print or Type Name and Address of Assignee)
417 the within bond and all rights thereunder and hereby irrevocably does constitute and appoint
418 _____ attorney to transfer the bond on books kept for the registration
419 thereof, with full power of substitution in the premises.

420 Dated: _____

421 Signature Guaranteed:

422 _____
423 _____ (Name of Registered Owner)
424 Notice: The signature above must correspond with
425 the name of the registered owner as it appears on
426 the front of this Bond in every particular without
427 alteration or enlargement or any change whatsoever.
428
429 _____
430 (Please Insert Social Security or other
431 Identifying Number of Assignee)
432

433	<u>PAYMENT GRID</u>			
434	Date of	Principal	Principal Amount	Holder
435	<u>Payment</u>	<u>Amount Paid</u>	<u>Outstanding</u>	<u>Signature</u>
436	_____	_____	_____	_____
437				
438	_____	_____	_____	_____
439				
440	_____	_____	_____	_____
441				
442	_____	_____	_____	_____
443				
444	_____	_____	_____	_____
445				
446				
447				

448 Section 8: The County Executive is hereby authorized to make such changes in
449 the form of the Bonds set forth in Section 7 hereof or in the form of advertisement and form of
450 notice of sale set forth hereinafter as the County Executive shall deem necessary and appropriate
451 to carry into effect the purposes of this Resolution or to comply with recommendations of the
452 County's financial advisor and bond counsel; provided, however, that the County Executive shall
453 make no change affecting the substance of such form, except as expressly permitted hereby,
454 unless authorized by a subsequent resolution of the County Council.

455
456 Section 9: The Bonds shall be sold for cash upon receipt of electronic bids to the
457 bidder whose bid is deemed to be in the best interests of the County after the County has given
458 public notice by advertisement inserted at least once in one or more daily or weekly newspapers
459 having a general circulation in the County. The advertisement or the complete official notice of
460 sale for the Bonds (hereinafter referred to as the "Notice of Sale") may also be published in one
461 or more newspapers or journals having a circulation primarily among banks and investment
462 bankers, but such publication shall not be mandatory. At least one publication shall be made not
463 less than ten (10) days prior to the sale of the Bonds. The sale of the Bonds shall be held at
464 11:00 a.m., local time, on April 23, 2013, in the office of the County Executive, Second Floor,
465 Cecil County Administration Building, 200 Chesapeake Boulevard, Elkton, Maryland 21921.
466 The County Executive, on behalf of the County, is hereby authorized to postpone and reschedule
467 the date of sale in accordance with the Notice of Sale, upon the recommendations of the
468 County's financial advisor and bond counsel. The advertisement for the sale of the Bonds shall
469 be in substantially the following form; provided that the aggregate principal amount of the
470 Bonds, the maturity schedule for the Bonds and the bidding parameters for the Bonds may be
471 adjusted if deemed appropriate by the Director of Finance and the financial advisor and bond
472 counsel employed by the County, as long as the maximum limitation on the aggregate principal
473 amount of the Bonds set forth in this Resolution is not exceeded:

474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504

(Form of Advertisement)

\$24,000,000*
CECIL COUNTY, MARYLAND
REFUNDING BONDS OF 2013

Electronic bids via **PARITY**® will be received by Cecil County, Maryland (the “County”) in the office of the County Executive of Cecil County, Maryland, Second Floor, Cecil County Administration Building, 200 Chesapeake Boulevard, Elkton, Maryland 21921, until 11:00 a.m., local time, on Tuesday, April 23, 2013, for the purchase of the above-designated general obligation bonds of the County, aggregating \$24,000,000*, all dated their date of initial delivery, all bearing interest payable semiannually on May 1 and November 1, commencing November 1, 2013, until maturity or prior redemption, and maturing, subject to prior redemption as herein stated, on November 1 as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2014	\$2,000,000	2020	\$2,000,000
2015	2,000,000	2021	2,000,000
2016	2,000,000	2022	2,000,000
2017	2,000,000	2023	2,000,000
2018	2,000,000	2024	2,000,000
2019	2,000,000	2025	2,000,000

The aggregate principal amount and the principal amount of each maturity of the bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. The dollar amount bid for principal and any amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate principal amount of the bonds, but the interest rates specified by the successful bidder for all maturities will not change. Procedures for announcing such adjustments and limitations on the amounts of such adjustments after the sale are set forth in the official Notice of Sale and the successful bidder may not withdraw its bid as a result of any changes made within the limits set forth therein.

The bonds which mature on or before November 1, 2023 are not subject to redemption prior to their maturities. The bonds which mature on and after November 1, 2024 are subject to redemption at any time on or after November 1, 2023, as a whole or in part, at the option of the County, after notice given as provided in the Resolution (hereinafter defined), at a redemption

*Preliminary, subject to adjustment as provided herein.

505 price for each bond redeemed equal to 100% of the principal amount of such bond to be
506 redeemed, plus accrued interest to the redemption date.

507
508 The bonds will be issued under the authority of Article 31, Section 24 of the Annotated
509 Code of Maryland (2010 Replacement Volume), and a Resolution of the County Council of
510 Cecil County, Maryland adopted on March 19, 2013. The net proceeds of these bonds will be
511 used to refund certain outstanding general obligation bonds of the County.

512 Bidders must bid at least 100% of par, but no more than 115% of par, for the bonds and
513 must specify the rate or rates of interest to be paid thereon in multiples of 1/8th or 1/20th of 1%.
514 Bidders may specify more than one rate of interest, but not more than one interest rate for any
515 maturity, nor a zero rate. The difference between the maximum and minimum interest rates so
516 specified may not be greater than 3% and the maximum interest rate permitted is 5.25%. The
517 bonds will be awarded to the bidder offering the lowest true interest cost to the County, such
518 interest cost to be determined in accordance with the true interest cost (TIC) method by doubling
519 the semiannual interest rate (compounded semiannually) necessary to discount the debt service
520 payments from the payment dates to the date of the bonds and to the price bid.

521 The County reserves the right to postpone, from time to time, the date established for the
522 receipt of bids. In addition, the County reserves the right, on the date established for the receipt
523 of bids, to reject all bids and establish a subsequent alternative sale date. The official Notice of
524 Sale contains specific provisions regarding the announcement of any such postponement and
525 alternative sale date.

526 The bonds will be issued in fully registered book-entry form. The Depository Trust
527 Company, New York, New York, will act as securities depository for the bonds.

528 The bonds are general obligation bonds of the County, and will constitute an irrevocable
529 pledge of its full faith and credit and unlimited taxing power. The issuance of such bonds will be
530 subject to approval of legality by McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, and
531 copies of their opinion will be delivered, without charge, to the purchaser.

532 The Preliminary Official Statement concerning this sale of bonds and the official Notice
533 of Sale will be supplied to prospective bidders upon request made in writing to the financial
534 advisor for the issuance of the bonds, Davenport & Company LLC, 8600 LaSalle Road, Suite
535 324, Towson, Maryland 21286, or by telephone (410) 296-9426.

536

537 The right is reserved to reject any and all bids.

538 By order of

539 CECIL COUNTY, MARYLAND

540 By: Tari Moore, County Executive

541

542

543 Section 10: The official Notice of Sale for the sale of the Bonds shall be in
544 substantially the following form, and the terms, provisions and conditions set forth in the form of
545 the Notice of Sale, including, without limitation, the bidding procedures to be used by all persons
546 submitting electronic bids for the purchase of the Bonds, are hereby adopted and approved as the
547 terms, provisions and conditions under which and the manner in which the Bonds shall be sold at
548 public sale, issued and delivered; provided that the aggregate principal amount of the Bonds, the
549 maturity schedule for the Bonds and bidding parameters for the Bonds set forth therein may be
550 adjusted if deemed appropriate by the Director of Finance and the financial advisor and bond
551 counsel employed by the County, so long as the maximum limitation on the aggregate principal
552 amount of the Bonds set forth in this Resolution is not exceeded:
553

554 **NOTICE OF SALE OF**
555 **\$24,000,000***
556 **CECIL COUNTY, MARYLAND**
557 **REFUNDING BONDS OF 2013**
558 **General Obligation Bonds**
559 **Dated: Date of Initial Delivery**

560
561 Electronic bids via **PARITY®** will be received by Cecil County, Maryland (the
562 “County”) in the office of the County Executive, Second Floor, Cecil County Administration
563 Building, 200 Chesapeake Boulevard, Elkton, Maryland 21921, until 11:00 a.m. local time on
564 Tuesday

565
566 April 23, 2013,

567
568 for the purchase of the above-designated bonds (the “Bonds”) of the County.

569
570 **Terms of the Bonds**

571
572 The Bonds are all dated their date of initial delivery, and bear interest payable
573 semiannually on May 1 and November 1, commencing November 1, 2013, until maturity or prior
574 redemption. The Bonds mature, subject to prior redemption as herein stated, on November 1 in
575 each of the years 2014 to 2025, inclusive, as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2014	\$2,000,000	2020	\$2,000,000
2015	2,000,000	2021	2,000,000
2016	2,000,000	2022	2,000,000
2017	2,000,000	2023	2,000,000
2018	2,000,000	2024	2,000,000
2019	2,000,000	2025	2,000,000

576

577

578 _____
*Preliminary, subject to adjustment as provided herein.

579

580 The Bonds are being issued under the provisions of Article 31, Section 24 of the
581 Annotated Code of Maryland (2010 Replacement Volume) and a Resolution of the County
582 Council of Cecil County, Maryland adopted on March 19, 2013 (the "Resolution"), to refund
583 certain outstanding general obligation bonds of the County.
584

585 The full faith and credit and unlimited taxing power of the County are unconditionally
586 pledged to the payment of the principal of the Bonds and of the interest to accrue thereon.
587

588 **Optional Redemption**
589

590 The Bonds which mature on or before November 1, 2023 are not subject to redemption
591 prior to their maturities. The Bonds which mature on and after November 1, 2024 are subject to
592 redemption at any time on or after November 1, 2023, as a whole or in part, at the option of the
593 County, at a redemption price equal to 100% of the principal amount of the Bonds to be
594 redeemed, plus accrued interest to the redemption date.

595 If less than all of the Bonds are to be redeemed, the particular maturities to be redeemed
596 shall be selected by the County. If selection by lot within a maturity is required, Manufacturers
597 and Traders Trust Company (the "Registrar" and "Paying Agent"), shall by random selection of
598 the names of the registered owners of the entire annual maturity select the Bonds to be redeemed
599 until the total amount of Bonds to be redeemed has been reached, except that so long as The
600 Depository Trust Company, New York, New York ("DTC"), or its nominee is the sole registered
601 owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by lot by
602 DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as
603 a separate Bond in the selection by lot of Bonds to be redeemed.
604

605 If the County elects to redeem all or a portion of the Bonds outstanding, it shall deliver a
606 redemption notice to DTC prior to the date fixed for redemption by a secure means as prescribed
607 in the Resolution. If the book-entry system is discontinued for the Bonds, the County shall give
608 a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the
609 Bonds to be redeemed at their last addresses appearing on the registration books maintained by
610 the Registrar not less than 30 days prior to the redemption date. Failure to deliver or mail any
611 such notice with respect to a particular Bond or any defect in such notice, or in the delivery or
612 mailing thereof, shall not affect the validity of the redemption proceedings. From and after the
613 date fixed for redemption, if funds sufficient for the payment of the redemption price and
614 accrued interest are available on such date, the Bonds designated for redemption shall cease to
615 bear interest.

616 **Book-Entry System**

617
618 The Bonds will be issued in fully registered book-entry form and DTC will act as
619 securities depository for the Bonds. One Bond representing each maturity of the Bonds will be
620 issued to and registered in the name of Cede & Co., as nominee of DTC, as registered owner of
621 the Bonds and each such Bond shall be immobilized in the custody of DTC or with the Registrar
622 to be held under DTC's "FAST" system, provided that if DTC requests, certificated Bonds will
623 be issued in denominations of \$5,000 or any integral multiple thereof. Individual purchases will
624 be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple
625 thereof. Purchasers will not receive physical delivery of certificates representing their interest in
626 the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be
627 required to deposit the Bond certificates representing each maturity with DTC.
628

629 Interest on the Bonds will be payable when due and principal and redemption price of the
630 Bonds will be payable at maturity or upon earlier redemption to DTC or its nominee as registered
631 owner of the Bonds. Transfer of principal and interest payments to beneficial owners of the
632 Bonds by participants of DTC ("Participants") will be the responsibility of Participants and other
633 nominees of beneficial owners. The County will not be responsible or liable for such transfers of
634 payments or for maintaining, supervising or reviewing the records maintained by DTC
635 Participants or persons acting through Participants.
636

637 In the event that DTC determines not to continue to act as securities depository for the
638 Bonds or the County determines to discontinue the book-entry system with DTC, and the County
639 does not replace DTC with another securities depository, the County will execute and the
640 Registrar will authenticate and deliver replacement Bonds in certificated form registered in the
641 names of the Participants or, if requested in writing by such Participants, in the names of the
642 beneficial owners of the Bonds. Replacement Bonds issued to Participants or to beneficial
643 owners shall be in authorized denominations and be in fully registered form in substantially the
644 form set forth in the Resolution.
645

646 **Adjustments**

647
648 The aggregate principal amount and the principal amount of each maturity of the Bonds
649 are subject to adjustment by the County, both before and after the receipt of bids for their
650 purchase. Changes to be made prior to the sale will be through TM3 News Service not later than
651 9:30 a.m. local time on the date of sale (or as soon thereafter as is reasonably practical) and will
652 be used to compare bids and select a winning bidder. Changes to be made after the sale and the
653 maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m.
654 local time on the date of the sale, will be made only as necessary to effect the refunding, and will
655 not reduce or increase the aggregate principal amount of the Bonds by more than 15% from the
656 amount bid upon. The dollar amount bid for principal and any amount bid for premium by the
657 successful bidder will be adjusted proportionately to reflect any reduction or increase in the
658 aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder
659 for all maturities will not change. The successful bidder may not withdraw its bid as a result of
660 any changes made within these limits.
661

662 **Electronic Bids**

663
664 Electronic bids via **PARITY**® will be received in the manner described below until 11:00
665 a.m. local time on April 23, 2013. For purposes of the electronic bidding process, the time as
666 maintained on **PARITY**® constitutes the official time. Bidders may only submit bids
667 electronically via **PARITY**®.

668
669 Bids may be submitted electronically via **PARITY**® pursuant to this Notice of Sale until
670 11:00 a.m. local time, but no bid will be received after the time for receiving bids specified
671 herein. To the extent any instructions or directions set forth in **PARITY**® conflict with this
672 Notice of Sale, the terms of this Notice of Sale shall control. For further information about
673 **PARITY**® potential bidders may contact **PARITY**® at Dalcomp (212) 849-5021.

674
675 **Bid Parameters**

676
677 No bid for less than all of the Bonds will be considered by the County. The right is
678 reserved to waive any irregularity or informality in any bid and to reject any or all bids. The
679 County's judgment shall be final and binding upon all bidders with respect to the form and
680 adequacy of any bid received and as to its conformity to the terms of this Notice of Sale.

681
682 Each bidder shall submit one bid on an all-or-none basis for the Bonds. Each bid must
683 specify the amount bid for the Bonds, which shall be not less than 100% of par or more than
684 115% of par. Each bid must specify in multiples of one-eighth (1/8) or one-twentieth (1/20) of
685 one percent (1%) the rate or rates of interest per annum which the Bonds are to bear but shall not
686 specify (a) more than one interest rate for any Bonds having the same maturity, (b) a zero rate of
687 interest, (c) any interest rate for any Bonds which exceeds the interest rate stated in such bid for
688 any other Bonds by more than 3%, or (d) any interest rate that exceeds 5.25%.

689
690 **Electronic Bidding Procedures**

691
692 Electronic bids must be submitted for the purchase of the Bonds (all or none) via
693 **PARITY**®. Bids will be communicated electronically to the County at 11:00 a.m. local time, on
694 Tuesday, April 23, 2013. Prior to that time, a prospective bidder may (1) submit the proposed
695 terms of its bid via **PARITY**®, (2) modify the proposed terms of its bid, in which event the
696 proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute
697 its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated
698 electronically via **PARITY**® to the County, each bid will constitute an irrevocable offer to
699 purchase the Bonds on the terms therein provided.

700
701
702 **Disclaimer**

703
704 Each prospective bidder shall be solely responsible to submit its bid via **PARITY**® as
705 described above. Each prospective bidder shall be solely responsible to make necessary
706 arrangements to access **PARITY**® for the purpose of submitting its bid in a timely manner and in
707 compliance with the requirements of this Notice of Sale. Neither the County nor **PARITY**® shall
708 have any duty or obligation to provide or assure access to **PARITY**® to any prospective bidder,

709 and neither the County nor **PARITY®** shall be responsible for proper operation of, or have any
710 liability for any delays or interruptions of, or any damages caused by **PARITY®**. The County is
711 using **PARITY®** as a communication mechanism, and not as the County's agent, to conduct the
712 electronic bidding for the Bonds. The County is not bound by any advice and determination of
713 **PARITY®** to the effect that any particular bid complies with the terms of this Notice of Sale and
714 in particular the "Bid Parameters" set forth herein. All costs and expenses incurred by
715 prospective bidders in connection with their submission of bids via **PARITY®** are the sole
716 responsibility of the bidders and the County is not responsible, directly or indirectly, for any of
717 such costs or expenses. If a prospective bidder encounters any difficulty in submitting,
718 modifying or withdrawing a bid for the Bonds, such bidder should telephone **PARITY®** at
719 Dalcomp (212) 849-5021 and notify the County's Financial Advisor, Davenport & Company
720 LLC by facsimile at (866) 932-6660.

721
722 **Basis of Award**

723
724 Bids will be opened promptly after 11:00 a.m. local time (as determined in accordance
725 with the time maintained on **PARITY®**), on Tuesday, April 23, 2013. The award, if made, will
726 be made promptly after the bids are opened to the bidder offering the lowest true interest cost to
727 the County in any legally acceptable bid. The lowest true interest cost shall be determined in
728 accordance with the true interest cost ("TIC") method by doubling the semiannual interest rate
729 (compounded semiannually) necessary to discount the debt service payments from the payment
730 dates to the date of the Bonds, and to the price bid. The TIC shall be as determined by the
731 financial advisor to the County based on the terms of this Notice of Sale and all amendments
732 thereto and on each bid as submitted. If two or more bidders offer to purchase the Bonds at the
733 same lowest true interest cost, then such award will be made to the bidder offering the highest
734 premium. If two or more bidders offer to purchase the Bonds at the same lowest true interest
735 cost, with the same premium, the Bonds will be awarded by lot to one of such bidders.

736
737 **Good Faith Deposit**

738
739 A good faith deposit (the "Deposit") is required in connection with the sale and bid for
740 the Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the
741 amount of \$500,000 to be submitted to the County by the successful bidder not later than 3:00
742 p.m. local time (the "Deposit Deadline") on the date of sale or (ii) a financial surety bond (a
743 "Surety Bond") from an insurance company acceptable to the County and licensed to issue such
744 a bond in the State of Maryland in the amount of \$500,000, each option as described in more
745 detail below. The Deposit of the successful bidder will be retained by the County to be applied
746 in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof,
747 but in the event the successful bidder shall fail to comply with the terms of the respective bid, the
748 proceeds thereof will be retained as and for full liquidated damages.

749
750 If a federal funds wire transfer is used, the County shall distribute wiring instructions
751 for the Deposit to the successful bidder upon verification of the bids submitted by the bidders
752 and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the
753 award of the sale of the Bonds to the successful bidder may be cancelled by the County in its
754 discretion without any financial liability of the County to the successful bidder or any limitation

755 whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and
756 conditions as the County shall deem appropriate.

757
758 If a Surety Bond is used, it must be submitted to the County prior to 5:00 p.m. local
759 time on the day prior to the date for receipt of bids, and must be in form and substance
760 acceptable to the County, including (without limitation) identifying the bidder whose Deposit is
761 guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond,
762 then such successful bidder is required to submit its Deposit to the County not later than 12:00
763 p.m. local time on the next business day following the award in accordance with wire
764 instructions delivered by the County to such bidder. If such Deposit is not received by that time,
765 the Surety Bond may be drawn by the County to satisfy the Deposit requirement.

766
767 **Postponement of Sale**

768
769 The County reserves the right to postpone, from time to time, the date established for the
770 receipt of bids. Any such postponement will be announced by TM3 News Service by notice
771 given not later than 1:00 p.m. local time, on the last business day prior to any announced date for
772 receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed,
773 any alternative sale date will be announced via TM3 News Service at least 48 hours prior to such
774 alternative sale date. In addition, the County reserves the right, on the date established for the
775 receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such
776 alternative sale date, any bidder may submit an electronic bid via **PARITY**® for the purchase of
777 the Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the
778 date of sale and except for any changes announced by TM3 News Service at the time the sale
779 date and time are announced.

780
781 **Approving Legal Opinion; Closing Papers**

782
783 The Bonds will be issued and sold subject to approval as to legality by McGuireWoods
784 LLP, of Baltimore, Maryland, Bond Counsel, and copies of their approving legal opinion will be
785 delivered, upon request, without charge to the successful bidder for the Bonds. There will also be
786 furnished upon delivery of the Bonds the usual closing papers and, in addition, a certificate
787 signed by appropriate officers of the County certifying that there is no litigation pending or, to
788 the knowledge of the signers of such certificate, threatened affecting the validity of the Bonds
789 and that on the date of the Official Statement mentioned below and at the time of delivery of the
790 Bonds, the statements and information contained in such Official Statement which are made and
791 provided by the County are and will be true, correct and complete in all material respects and the
792 Official Statement does not and will not omit any statement or information which is required to
793 be stated therein or necessary to make the statements and information therein, in light of the
794 circumstances under which they were made, not misleading or incomplete in any material
795 respect.

796
797 **Preliminary Official Statement; Continuing Disclosure**

798
799 Within seven (7) business days after the award of the Bonds, the County will authorize an
800 Official Statement, which is now expected to be substantially in the form of the Preliminary
801 Official Statement referred to below. The Preliminary Official Statement has been deemed final

802 by the County as of its date for the purposes of Rule 15c2-12 of the Securities and Exchange
803 Commission (“Rule 15c2-12”), subject to revision, amendment and completion in the final
804 Official Statement. The County will also issue any supplement or amendment to the Official
805 Statement that may be necessary between the date of the Official Statement and the date of
806 delivery of the Bonds. If requested and furnished to the County in writing by the successful
807 bidder at or before the close of business on the day of sale, the County will include in the Official
808 Statement such pricing and other information relating to the reoffering of the Bonds, if any, as
809 may be so furnished. If no such information is furnished by the successful bidder, the Official
810 Statement will include the interest rates on the Bonds resulting from the bid of the successful
811 bidder and the other statements with respect to reoffering contained in the Preliminary Official
812 Statement. Whether or not any such information is included in the Official Statement, the
813 successful bidder shall be responsible to the County and its officials in all respects for the
814 accuracy, fairness and completeness of such information, and for all decisions made with respect
815 to the use or omission of such information in any reoffering of the Bonds, including the
816 presentation or exclusion of any such information in any documents, including the Official
817 Statement. Within seven (7) business days after the award of the Bonds, the successful bidder
818 will also be furnished, without cost, up to 500 copies of the Official Statement (and any
819 amendment or supplement thereto).

820

821 The County has made certain covenants for the benefit of the holders from time to time of
822 the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in
823 complying with Rule 15c2-12. Such covenants are described in the Preliminary Official
824 Statement for the Bonds.

825

826 **Bond Insurance**

827

828 In the event that all or any part of the Bonds are initially reoffered with bond insurance
829 secured by the successful bidder, the successful bidder shall notify promptly the Director of
830 Finance of the County at the time of sale of such event and shall provide him with any
831 information he reasonably requests regarding such bond insurance, including the amounts paid
832 for such insurance. The County will, at the request and expense of the successful bidder, include
833 customary language in the Official Statement and the form of the Bonds regarding the bond
834 insurance policy upon receipt of such opinions or certificates as the County reasonably may
835 request regarding the accuracy of any information to be included in the Official Statement and
836 the binding nature of the obligations contained in the bond insurance policy with respect to the
837 Bonds. The County shall have no obligation to provide the successful bidder or the issuer of
838 such bond insurance policy with any other documents or opinions relating to the Bonds. Neither
839 the failure of the Bonds to be insured by such bond insurance policy nor any change in the
840 ratings provided by any rating agency with respect to the issuer of such bond insurance policy
841 occurring between the time of the award of the Bonds and the time the Bonds are delivered shall
842 relieve the successful bidder of its contractual obligation to purchase the Bonds.

843

844 **Delivery**

845

846 The Bonds will be delivered on May 8, 2013, or as soon as practicable thereafter, upon
847 due notice and at the expense of the County, for the account of the successful bidder, through the
848 facilities of DTC in New York, New York, upon payment of the amount of the successful bid

849 (including any premium), less the Deposit theretofore made. Such payment shall be made in
850 Federal funds.

851

852 **Miscellaneous**

853

854 As a condition to the award of the Bonds, the successful bidder shall be required to
855 communicate to the County the initial offering prices at which a bona fide offering of Bonds has
856 been made to the public, which prices are to be shown on the cover of the Official Statement (the
857 "Initial Offering Prices"). Furthermore, as a condition to the delivery of the Bonds, the
858 successful bidder shall be required to furnish to the County a written certificate acceptable to the
859 County's bond counsel to the effect that the successful bidder has made a bona fide public
860 offering of the Bonds at the Initial Offering Prices and that a substantial portion of each maturity
861 of the Bonds has been sold to the public (excluding bond houses, brokers and other
862 intermediaries) at the respective Initial Offering Prices. Such certifications shall be made based
863 on actual facts known to the successful bidder as of the sale date. For purposes of the successful
864 bidder's certificate, a substantial portion of the Bonds is at least 10% in par amount of each
865 maturity of the Bonds. If the successful bidder cannot deliver the certificate as described above,
866 the County's bond counsel will be required to evaluate the facts and circumstances of the
867 offering and sale of the Bonds to confirm compliance with statutory requirements of avoiding the
868 establishment of an artificial price for the Bonds.

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

873

874 The Preliminary Official Statement, together with this official Notice of Sale, will be
875 supplied to prospective bidders upon request made in writing to the financial advisor for the
876 issuance of the Bonds, Davenport & Company LLC, 8600 LaSalle Road, Suite 324, Towson,
877 Maryland 21286, or by telephone 410-296-9426.

878

879

CECIL COUNTY, MARYLAND

880

By: Tari Moore, County Executive

881

882

883 Section 11: The County shall cause to be prepared a Preliminary Official
884 Statement and an Official Statement to be used in connection with the sale of the Bonds, and
885 shall cause the same to be made available to prospective purchasers of the Bonds. The
886 Preliminary Official Statement and the Official Statement shall contain such financial and other
887 data as are customarily found in such publications and may reflect such adjustments to the
888 aggregate principal amount of the Bonds, the maturity schedule for the Bonds and the principal
889 amount and maturities of the Refunded Bonds to be refunded, as may be deemed appropriate by
890 the Director of Finance and the financial advisor and bond counsel employed by the County,
891 provided that the maximum limitation on the aggregate principal amount of the Bonds set forth
892 in this Resolution is not exceeded. The County Executive and the Director of Finance are further
893 authorized to take such actions on behalf of the County as they deem appropriate or necessary to
894 promote compliance with Rule 15c2-12 of the Securities and Exchange Commission (“Rule
895 15c2-12”) in connection with the offering and sale of the Bonds.
896

897 Section 12: It is hereby determined that it is necessary and appropriate for the
898 County to execute and deliver a Continuing Disclosure Agreement (“Continuing Disclosure
899 Agreement”) for the benefit of the registered owners and the beneficial owners from time to time
900 of the Bonds, in order to enable the successful bidder (including any of such bidder’s associates
901 constituting “principal underwriters” within the meaning of Rule 15c2-12) to comply with the
902 requirements of Rule 15c2-12.

903 The County Executive is hereby authorized and directed to execute and deliver
904 the Continuing Disclosure Agreement, containing the following provisions and such other
905 provisions as the County Executive deems acceptable (as evidenced by her execution and
906 delivery of such Continuing Disclosure Agreement), in such form and with such changes therein
907 as the financial advisor and bond counsel to the County may advise:

908 (a) The County shall agree to provide, either directly or through an intermediary,
909 (i) to the Municipal Securities Rulemaking Board (“MSRB”) in an electronic format prescribed
910 by the MSRB, (A) annual financial information and operating data regarding (1) General Fund
911 Summary of Revenues; (2) General Fund Summary of Revenues, Expenditures and Transfers;
912 (3) Assessed Values and Tax Rates; and (4) Tax Levies and Tax Collections; such information to
913 be made available within 275 days after the end of the County’s fiscal year, commencing with
914 the fiscal year ending June 30, 2013, and (B) annual audited financial statements for the County,
915 such information to be made available within 275 days after the end of the County’s fiscal year,
916 commencing with the fiscal year ending June 30, 2013, unless the audited financial statements
917 are not available on or before such date, in which event unaudited financial statements will be
918 provided by such date and audited financial statements will be provided promptly when and if
919 available; (ii) in a timely manner, not in excess of 10 business days after the occurrence of the
920 event, to the MSRB in an electronic format prescribed by the MSRB, notice of the occurrence
921 with respect to the Bonds of any of the Reportable Events (defined below); and (iii) in a timely
922 manner, to the MSRB in an electronic format prescribed by the MSRB, notice of a failure by the
923 County to provide the required annual financial information and operating data within the
924 applicable time periods specified in clauses (i)(A) and (i)(B) above. Reportable Events shall be
925 defined as (i) principal and interest payment delinquencies; (ii) non payment related defaults, if
926 material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv)
927 unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of

928 credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by
929 the Internal Revenue Service of proposed or final determinations of taxability, Notice of
930 Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect
931 to the tax status of the Bonds, or other material events affecting the tax-exempt status of the
932 Bonds; (vii) modifications to rights of bond holders, if material; (viii) bond calls, if material, and
933 tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment
934 of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or
935 similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or
936 acquisition involving an obligated person or the sale of all or substantially all of the assets of the
937 obligated person, other than in the ordinary course of business, the entry into a definitive
938 agreement to undertake such an action or the termination of a definitive agreement relating to
939 any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a
940 successor or additional trustee, or the change of name of a trustee, if material.

941 (b) The County may, in the Continuing Disclosure Agreement, reserve the right
942 to terminate its obligation to provide annual financial information and notices of Reportable
943 Events, if and when the County no longer remains an obligated person with respect to the Bonds
944 within the meaning of Rule 15c2-12. The Continuing Disclosure Agreement shall provide that
945 the County may provide further or additional assurances that will become part of the Continuing
946 Disclosure Agreement. The Continuing Disclosure Agreement shall provide that it may be
947 amended by the County in its discretion provided that (i) (A) the amendment may only be made
948 in connection with a change in circumstances that arises from a change in legal requirements,
949 change in law, or change in the identity, nature or status of the County as the obligated person
950 with respect to the Bonds, or type of business conducted; (B) the Continuing Disclosure
951 Agreement, as amended, would, in the opinion of nationally recognized bond counsel, have
952 complied with the requirements of Rule 15c2-12 at the time of the issuance of the Bonds, after
953 taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in
954 circumstances; and (C) the amendment does not materially impair the interests of the owners of
955 the Bonds, including beneficial owners, as determined either by such bond counsel, or by an
956 approving vote of the holders of at least 25% of the outstanding principal amount of the Bonds or
957 (ii) the County receives an opinion of nationally recognized bond counsel to the effect that such
958 amendment is permitted or required by Rule 15c2-12. The County shall state the reasons for the
959 County agreeing to provide any further or additional assurances or for any amendment and the
960 impact of the change in the type of operating data or financial information being provided in
961 narrative form in information provided with the annual financial information containing the
962 additional or amended operating data or financial information.

963 (c) The Continuing Disclosure Agreement, and any claim made with respect to
964 the performance by the County of its obligations thereunder, shall be governed by, subject to,
965 and construed according to the laws of the State of Maryland and the Federal securities laws, to
966 the extent applicable. The Continuing Disclosure Agreement shall provide that the County shall
967 be given written notice of any claimed failure by the County to perform its obligations under the
968 Continuing Disclosure Agreement, and the County shall be given 30 days to remedy any such
969 claimed failure. Any suit or other proceeding seeking further redress with regard to any claimed
970 failure by the County must be filed in the Circuit Court for Cecil County, Maryland, and any
971 party maintaining such suit or other proceeding shall be limited to specific performance as the
972 adequate and exclusive remedy available in connection with such action.

973 (d) The Continuing Disclosure Agreement shall constitute an undertaking by the
974 County that is independent of the County's obligations with respect to the Bonds. Any breach or
975 default by the County under the Continuing Disclosure Agreement shall not constitute or give
976 rise to a breach or default under the Bonds.

977 Section 13: (a) Immediately after the sale of the Bonds, the award of the Bonds to
978 the successful bidder shall be made and the interest rate or rates payable on the Bonds, the
979 aggregate principal amount of the Bonds to be issued, the maturity schedule for the Bonds and
980 the maturities of the Refunded Bonds to be refunded shall be fixed by an executive order
981 executed and delivered by the County Executive (the "Executive Order") in accordance with the
982 terms and conditions of the sale of the Bonds. The Bonds shall thereupon be suitably prepared
983 and duly executed and delivered to the purchaser or purchasers thereof in accordance with the
984 conditions of delivery set forth in the official Notice of Sale. The proceeds of the sale of the
985 Bonds, including any premium received therefor, shall be paid to the Director of Finance or such
986 other officer of the County as may be designated by the Executive Order who shall deposit the
987 same in the special accounts as hereinafter provided.

988 (b) Proceeds of the sale of the Bonds, if any, to be used to finance issuance costs
989 shall be deposited in a special account or accounts and shall be disbursed only for the purpose of
990 paying such issuance costs, including the reimbursement of any other funds of the County
991 previously advanced for such costs. If the funds so deposited shall exceed the amount needed to
992 pay such issuance costs, the excess funds so borrowed and not expended shall be applied by the
993 County in payment of the next principal maturity of the Bonds.

994 (c) A portion of the proceeds of the sale of the Bonds will be used to redeem
995 the Refunded 2002 Bonds on the Closing Date or as soon as practicable thereafter. The Paying
996 Agent for the Refunded 2002 Bonds is hereby directed to cause a notice of redemption
997 substantially in the form set forth in Exhibit B to this Resolution to be published at the time and
998 in the publications, if any, set forth in the Refunded 2002 Bonds and to be mailed by first-class
999 mail, postage prepaid, to all registered owners of the Refunded 2002 Bonds at their addresses as
1000 they appear on the registration books provided for the Refunded 2002 Bonds. The Paying Agent
1001 shall also cause such notice to be filed with the MSRB at the time such notice is mailed to the
1002 registered owners of the Refunded 2002 Bonds.

1003 The remaining proceeds of the sale of the Bonds will be used to refund the
1004 Advance Refunded Bonds and shall be paid over to Manufacturers and Traders Trust Company,
1005 to be held, administered, and disbursed by it in its capacity as Escrow Deposit Agent (the
1006 "Escrow Deposit Agent") under an Escrow Deposit Agreement (the "Escrow Deposit
1007 Agreement"). The County Executive is hereby authorized to execute the Escrow Deposit
1008 Agreement on behalf of the County concurrently with the closing for the Bonds, in such form
1009 and containing such provisions as the County Executive deems necessary and appropriate (as
1010 evidenced by her execution and delivery of the Escrow Deposit Agreement) and which execution
1011 shall be conclusive evidence of the approval by the County of the due execution of such
1012 instrument on behalf of the County. The amount paid to the Escrow Deposit Agent pursuant to
1013 this paragraph shall be paid to the Escrow Deposit Agent in Federal funds or other immediately
1014 available funds and shall be used and applied solely in accordance with the terms of the Escrow

1015 Deposit Agreement. The County Executive, the Director of Finance and their designees are each
1016 authorized to take all actions on behalf of the County pursuant to the Escrow Deposit Agreement.

1017 (d) Within 10 business days after the delivery of and payment for the Bonds,
1018 the Escrow Deposit Agent shall cause (1) notices of refunding, substantially in the form set forth
1019 in the Escrow Deposit Agreement, (A) to be published in such publications, if any, as set forth in
1020 the Escrow Deposit Agreement, and (B) to be filed with the MSRB, and (2) such notice to be
1021 mailed, postage prepaid, to all registered owners of the Advance Refunded Bonds at their
1022 addresses as they appear on the registration books provided for the Advance Refunded Bonds.
1023 Such notice of refunding shall contain such omissions and variations as are authorized by the
1024 Executive Order.

1025 (e) In connection with the Escrow Deposit Agreement, the Director of
1026 Finance, or his designee, is hereby authorized to execute and file on behalf of the County a
1027 subscription for United States Treasury Obligations - State and Local Government Series, and
1028 any amendment thereto, and to take any other action or to execute any further instrument on
1029 behalf of the County necessary to purchase such obligations or other Government Obligations
1030 necessary to effect the refunding of the Refunded Bonds, and any such action taken prior to the
1031 date of this Resolution is hereby ratified and approved.

1032 Section 14: Prior to the delivery of the Bonds, the County shall have received a
1033 certificate of a firm of independent certified public accountants, nationally recognized in the field
1034 of refunding of tax-exempt obligations, verifying that the maturing principal amounts of the
1035 obligations held in the fund created under the Escrow Deposit Agreement and interest earned
1036 thereon, together with any other amounts provided by the County, will be sufficient to pay all
1037 principal of and interest on the Advance Refunded Bonds coming due prior to the respective
1038 dates of maturity or redemption, as applicable, and to redeem at the earliest practicable dates, and
1039 to pay the redemption price and accrued interest on the Advance Refunded Bonds to be
1040 redeemed prior to their stated maturity dates on such respective dates of redemption.

1041 Section 15: Conditional only upon the delivery of and payment for the Bonds,
1042 the County hereby specifically and irrevocably elects to redeem (1) the Refunded 2002 Bonds on
1043 the Closing Date or as soon as practicable thereafter at a redemption price of 101% of the
1044 principal amount thereof, (2) the Refunded 2005 Bonds maturing in the years 2016 through
1045 2018, inclusive, 2024 and 2025 on November 1, 2015, at a redemption price of 100% of the
1046 principal amount thereof, and (3) the Refunded 2007 Bonds maturing in the years 2021 through
1047 2025, inclusive, on December 1, 2017 at a redemption price of 100% of the principal amount
1048 thereof, in each case plus interest accrued and unpaid to the applicable redemption date. The
1049 Escrow Deposit Agent shall cause notices of redemption substantially in the forms set forth in
1050 the Escrow Deposit Agreement to be published at the times and in the publications, if any, set
1051 forth in the Refunded 2005 Bonds and the Refunded 2007 Bonds, respectively, and to be mailed
1052 by first-class mail, postage prepaid, to all registered owners of the Refunded 2005 Bonds and the
1053 Refunded 2007 Bonds being redeemed at their addresses as they appear on the registration books
1054 provided for the Refunded 2005 Bonds and the Refunded 2007 Bonds, respectively. The Escrow
1055 Agent shall also cause each such notice to be filed with the MSRB at the time such notice is
1056 mailed to the registered owners of the Refunded 2005 Bonds and the Refunded 2007 Bonds
1057 being redeemed. Notwithstanding the foregoing, the irrevocable election contained in this

1058 Section shall only be effective with respect to the series and maturities of the Refunded Bonds
1059 identified in the Executive Order referred to in Section 13 of this Resolution and the notices of
1060 redemption given pursuant to this Section and Section 13(c) shall contain such omissions and
1061 variations as are authorized by the Executive Order.

1062 Section 16: For the purpose of paying the interest on and redeeming and paying
1063 the Bonds as they mature, the County shall levy or cause to be levied in each and every fiscal
1064 year that any of the Bonds are outstanding ad valorem taxes upon all the legally assessable
1065 property within the corporate limits of the County in rate and amount sufficient, together with
1066 other available funds, to provide for the payment, when due, of the interest on and principal of all
1067 of the Bonds maturing in each such fiscal year. In case the Bonds shall be issued in any fiscal
1068 year after the making of the regular levy for that fiscal year, any and all interest becoming due
1069 before the next levy shall be paid out of any other funds at the disposal of the County and there
1070 shall be levied at the next succeeding levy an amount sufficient to reimburse such other funds.
1071 Funds available from other sources may be applied to assist in the payment of interest on and
1072 principal of the Bonds. Taxes that might otherwise be levied hereunder may be reduced or not
1073 levied to the extent of such funds being received or receivable. The full faith and credit and
1074 unlimited taxing power of the County are hereby irrevocably pledged to the payment of the
1075 principal of and interest on the Bonds as and when such principal and interest respectively
1076 mature and to the levy and collection of the taxes prescribed in this Section as and when such
1077 taxes may become necessary in order to provide sufficient funds to meet the debt service
1078 requirements of the Bonds.

1079 The County hereby solemnly covenants with each of the holders of any of the
1080 Bonds to take all action as may be appropriate from time to time during the period that any of the
1081 Bonds remain outstanding and unpaid to provide the funds necessary to make the principal and
1082 interest payments. The County hereby further covenants and agrees with each of the holders of
1083 any of the Bonds to levy and collect the taxes prescribed in this Section.

1084 Section 17: The County hereby covenants that it will take, or refrain from taking,
1085 any and all actions necessary to comply with the applicable provisions of Section 103 and
1086 Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the
1087 "Code") and the Income Tax Regulations thereunder, in order to preserve the status of the
1088 interest on the Bonds as excluded from gross income for Federal income tax purposes. Without
1089 limiting the generality of the foregoing covenant, (a) the County will not use or permit the use of
1090 any of the proceeds of the Bonds or any of the funds of the County in such manner as would
1091 cause the interest on the Bonds to be included in gross income for Federal income tax purposes,
1092 (b) the County will regulate the investment of the proceeds of the Bonds so as not to cause any of
1093 the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the
1094 Income Tax Regulations thereunder, (c) the County will, if and to the extent necessary, make
1095 periodic determinations of the rebate amount and timely pay any rebate amount, or installment
1096 thereof, to the United States of America, (d) the County will prepare and timely file Internal
1097 Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations,
1098 and (e) the County Executive and/or the Director of Finance are hereby authorized and directed
1099 to prepare or cause to be prepared and to execute any certificate or other document which may be
1100 required in order to assure compliance with the applicable provisions of Section 103 and
1101 Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations thereunder.

1102

[Remainder of page intentionally left blank]

1103

1104 Section 18: This Resolution takes effect from the date of its adoption.

1105

1106 INTRODUCED: MARCH 5, 2013

1107 ADOPTED: MARCH 19, 2013

1108

1109

1110

1111

1112

1113

1114

1115

1116

1117

1118

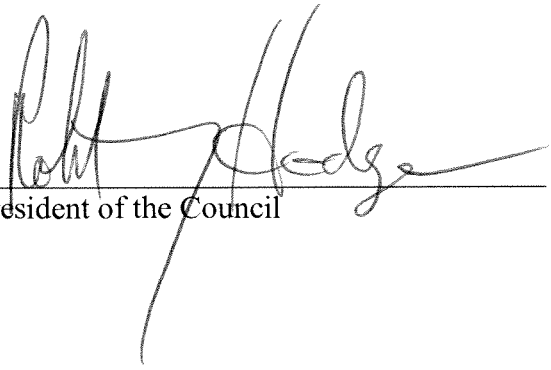
1119

1120

1121


1122

1123



President of the Council

ATTEST:



Council Manager

By the Executive:



Tari Moore, County Executive

3/20/13

Date

Exhibit A

Refunded Bonds

Consolidated Public Improvement and Refunding Bonds of 2002

<u>Maturing December 1</u>	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>
2014	\$365,000*	3.50 %	101%
2015	380,000*	3.625	101

Consolidated Public Improvement and Refunding Bonds of 2005

<u>Maturing November 1</u>	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>
2016	\$2,230,000	4.00%	100%
2017	870,000*	4.00	100
2018	910,000*	4.00	100
2024	1,945,000	4.375	100
2025	2,030,000	4.375	100

Consolidated Public Improvement Bonds of 2007

<u>Maturing December 1</u>	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>
2021	\$1,780,000	4.00%	100%
2022	1,855,000	4.00	100
2023	1,935,000	4.125	100
2024	2,025,000	4.125	100
2025	2,115,000	4.25	100

* Represents a portion of the Refunded Bonds of such series maturing in such year.

Exhibit B

Form of Redemption Notice for Refunded 2002 Bonds

CONDITIONAL NOTICE OF REDEMPTION

COUNTY COMMISSIONERS OF CECIL COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2002
DATED DECEMBER 1, 2002

NOTICE IS HEREBY GIVEN of the election by County Commissioners of Charles County to redeem in full on May 8, 2013, \$745,000 aggregate principal amount of its County Commissioners of Cecil County Consolidated Public Improvement and Refunding Bonds of 2002, maturing on December 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Call Price</u>	<u>CUSIP Number*</u>
2014	\$365,000	3.50 %	101%	149843K86
2015	380,000	3.625	101	149843K94

The above bonds will become due and will be redeemed on May 8, 2013, at a redemption price equal to 101% of the principal amount of each bond to be redeemed, plus accrued interest to May 8, 2013, upon presentation and surrender thereof at the designated corporate trust office of Manufacturers and Traders Trust Company, Attn: Corporate Trust Operations, One M&T Plaza, Eighth Floor, Buffalo, New York 14203 (the "Paying Agent").

THIS NOTICE IS CONDITIONAL AND SUBJECT TO (1) THE RIGHT OF THE COUNTY TO REVOKE THIS NOTICE OF REDEMPTION ON OR BEFORE APRIL 24, 2013, BY NOTICE TO THE REGISTERED OWNERS OF THE BONDS AND (2) THE DEPOSIT OF SUFFICIENT MONEYS TO PAY THE REDEMPTION PRICE OF THE BONDS WITH THE PAYING AGENT ON OR BEFORE THE REDEMPTION DATE AND SHALL BE OF NO EFFECT IF SUCH REVOCATION OCCURS OR SUCH DEPOSIT IS NOT MADE.

Subject to the foregoing, from and after May 8, 2013, if funds sufficient for the payment of the redemption price are held by the Paying Agent on the redemption date, interest will cease to accrue on the above bonds called for redemption.

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Paying Agent is required to withhold 28% of any gross payments to holders who fail to provide a valid taxpayer identification number (social security number or employer identification number, as applicable) on or before the date the bonds are presented for redemption. A Form W-9 may be obtained

1179 from the Internal Revenue Service or any local bank or broker. Please properly complete the
1180 Form W-9 when presenting your bonds for redemption.

1181 Any questions may be directed to Manufacturers and Traders Trust Company at (800)
1182 724-8330.

1183 Dated: _____ County Commissioners of Cecil County

1184 By: Manufacturers and Traders Trust Company, as
1185 Escrow Deposit Agent
1186

1187 *These CUSIP numbers are included solely for the convenience of the bondholders. No
1188 representation is made as to the correctness of the CUSIP numbers either as printed on the bonds
1189 or as contained in this Notice.

1190
1191
1192
1193
1194
1195