

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION 2015-01**

RESOLUTION NO. 04-2015

Title of Resolution: Refunding Bonds of 2015

Synopsis: A Resolution to authorize and empower Cecil County, Maryland to borrow, from time to time, not more than Forty One Million Eight Hundred Seventy Five Thousand Dollars (\$41,875,000) and to effect such borrowing by the issuance and sale of its general obligation bonds in one or more series, authorized by Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume), such bonds to be designated "Cecil County, Maryland Refunding Bonds of 2015," 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 total cost of debt service; to empower the County Executive to execute and deliver one or more executive orders prior to issuing the bonds in order to fix, prescribe and determine certain matters relating to such bonds and the sale thereof, as hereinafter described; 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 for and determine certain matters in connection with the sale, issuance and delivery of such bonds.

Introduced by: Council President on the behalf of the County Executive

Introduced and order posted on: January 6, 2015

Consideration scheduled on: January 20, 2015

PUBLIC HEARING

Notice and title of Resolution having been posted by January 6, 2015 at the County Administration Building, 200 Chesapeake Blvd., Elkton, and consideration by the Council having been scheduled on January 20, 2015.

By: 

Council Manager

Explanation: CAPITALS INDICATE MATTER ADDED TO EXISTING ORDINANCE.
{Brackets} indicate matter deleted from existing ordinance.
Underlining indicates language added to ordinance by amendment.
~~Strike through~~ indicates language stricken out of an Ordinance by amendment.

1 **WHEREAS**, pursuant to Section 19-207 of the Local Government Article of the Annotated Code of
2 Maryland (2013 Replacement Volume) (the “Refunding Act”), the County may issue bonds to refund any
3 of its outstanding bonds for the purpose of realizing savings in the total cost of debt service on either a
4 direct comparison or present value basis; and

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

8 **WHEREAS**, based on the foregoing advice, pursuant to the Refunding Act, the County Council
9 wishes to authorize the issuance of the County’s general obligation bonds in an aggregate principal
10 amount not to exceed \$41,875,000 for the above-stated purposes, and to provide for and determine
11 certain matters in connection therewith.

12 **NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:**

13 Section 1: In accordance with the authority of Section 19-207 of the Local Government Article of
14 the Annotated Code of Maryland (2013 Replacement Volume) (the “Refunding Act”), the County hereby
15 determines that it is necessary to borrow money and incur indebtedness for the purpose of providing
16 funds to refund (1) \$18,365,000 principal amount of the County Commissioners of Cecil County
17 Consolidated Public Improvement Bonds of 2006, which mature on September 1 in the years 2015
18 through 2026, inclusive (the “Refunded 2006 Bonds”) and (2) \$23,510,000 principal amount of the County
19 Commissioners of Cecil County Consolidated Public Improvement Bonds of 2007, which mature on
20 December 1 in the years 2015 through 2027, inclusive (the “Refunded 2007 Bonds”, and collectively with
21 the Refunded 2006 Bonds, the “Refunded Bonds”), in order to realize savings to the County in the total
22 cost of debt service. It is hereby estimated and determined that the costs of such refunding will be not
23 more than Forty One Million Eight Hundred Seventy Five Thousand Dollars (\$41,875,000) and that such
24 costs, together with any portion of the costs of issuance that the Director of Finance of Cecil County,
25 Maryland (the “Director of Finance”) determines to finance with the proceeds thereof, are to be financed
26 to such extent from the proceeds of the sale of the Bonds (defined below). Notwithstanding the
27 foregoing, the final principal amount of Bonds to be issued and the series, maturities and principal
28 amounts of the Refunded Bonds to be refunded shall be determined pursuant to the executive order
29 described in Section 3.

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30 Section 2: To evidence the borrowing and indebtedness described in Section 1 and acting
31 pursuant to the authority of the Refunding Act, the County is hereby authorized to issue and sell upon its
32 full faith and credit an aggregate principal amount not to exceed Forty One Million Eight Hundred Seventy
33 Five Thousand Dollars (\$41,875,000) par value of general obligation bonds of the County. Such issue of
34 bonds shall be designated as "Cecil County, Maryland Refunding Bonds of 2015" (the "Bonds").

35 Section 3: The Bonds may be issued in one or more series, from time to time, as the
36 County Executive of Cecil County, Maryland (the "County Executive") may deem appropriate upon the
37 advice of the financial advisor and bond counsel employed by the County. Prior to the issuance and sale of
38 all or any part of the Bonds, the County Executive shall execute and deliver an executive order to fix,
39 prescribe and determine, or provide for the method of determining, the date of issue, the
40 denomination(s) of the Bonds, the aggregate principal amount of the Bonds to be issued, the maturity
41 schedule for the Bonds, the form and tenor thereof, the places of payment of the principal thereof and
42 the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved right, if
43 any, to redeem the Bonds prior to maturity and the premium, if any, payable upon the exercise of said
44 right, the rate or rates of interest payable on the Bonds, or the method of determining the same, details
45 relating to the sale of the Bonds, the award of the Bonds to the purchaser thereof, the price at which the
46 Bonds shall be sold (which may be at, above or below par), the application of any premium paid to the
47 County upon the sale of the Bonds, the series, maturities and principal amounts of the Refunded Bonds to
48 be refunded, provision for the payment, as and when due, of the interest on and principal and
49 redemption price of the Refunded Bonds and the redemption of the Refunded Bonds that are to be
50 redeemed prior to their respective maturities on the earliest practicable dates, including the appointment
51 of an escrow deposit agent, and any other details, terms or conditions relating to the issuance, sale,
52 delivery and payment of the Bonds. The County Executive is authorized to execute and deliver such
53 documents as she deems necessary or appropriate to effect the issuance of the Bonds and to approve the
54 provisions thereof (such approval to be evidenced by her execution and delivery of such documents).

55 Section 4: Each of the Bonds shall be executed in the name of the County and on its
56 behalf by the manual or facsimile signatures of the County Executive and the Director of Finance and the
57 corporate seal of the County or a facsimile thereof, shall be imprinted or otherwise reproduced thereon,
58 and attested by the manual or facsimile signature of the Director of Administration of Cecil County,
59 Maryland (the "Director of Administration"). Each of the Bonds shall be authenticated by the manual
60 signature of an authorized officer of the bond registrar. If by facsimile, the facsimiles of such signatures

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61 and seal shall be engraved, printed or lithographed on the Bonds in accordance with, and pursuant to the
62 authority of, Sections 2-301 to 2-306, inclusive, of the State Finance and Procurement Article of the
63 Annotated Code of Maryland (2009 Replacement Volume). The County Executive, the Director of Finance
64 and the Director of Administration, by the execution of appropriate signature certificates, shall adopt, as
65 and for their own proper signatures, their respective facsimile signatures on the Bonds if facsimile
66 signatures are used.

67 Section 5: The Bonds shall be sold and issued on the full faith and credit of the County.
68 For the purpose of paying the interest on and redeeming and paying the Bonds as they mature, the
69 County shall levy or cause to be levied in each and every fiscal year that any of the Bonds are outstanding
70 ad valorem taxes upon all the legally assessable property within the corporate limits of the County in rate
71 and amount sufficient, together with other available funds, to provide for the payment, when due, of the
72 interest on and principal of all of the Bonds maturing in each such fiscal year. In case the Bonds shall be
73 issued in any fiscal year after the making of the regular levy for that fiscal year, any and all interest
74 becoming due before the next levy shall be paid out of any other funds at the disposal of the County and
75 there shall be levied at the next succeeding levy an amount sufficient to reimburse such other funds.
76 Funds available from other sources may be applied to assist in the payment of interest on and principal of
77 the Bonds. Taxes that might otherwise be levied hereunder may be reduced or not levied to the extent of
78 such funds being received or receivable. The full faith and credit and unlimited taxing power of the
79 County are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as
80 and when such principal and interest respectively mature and to the levy and collection of the taxes
81 prescribed in this Section as and when such taxes may become necessary in order to provide sufficient
82 funds to meet the debt service requirements of the Bonds.

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

88 Section 6: The Bonds shall be sold for cash upon receipt of electronic bids to the bidder
89 whose bid is deemed to be in the best interests of the County after the County has given public notice by
90 advertisement inserted at least once in one or more daily or weekly newspapers having a general
91 circulation in the County not less than ten (10) days prior to the sale of the Bonds. The advertisement for

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92 the sale of the Bonds shall be in substantially the form set forth in Exhibit A; provided that the County
93 Executive may approve such changes to such form as she deems necessary or appropriate, subject to the
94 terms of this Resolution.

95 Section 7: The official Notice of Sale for the sale of the Bonds shall be in substantially the
96 form set forth in Exhibit B and the terms and conditions set forth in the form of the Notice of Sale are
97 hereby adopted and approved as the terms and conditions under which and the manner in which the
98 Bonds shall be sold at public sale; provided that the County Executive may approve such changes to such
99 form as she deems necessary or appropriate, subject to the terms of this Resolution.

100 Section 8: Conditional only upon the delivery of and payment for the Bonds, the
101 County hereby specifically and irrevocably elects to redeem (1) the Refunded 2006 Bonds maturing in the
102 years 2017 through 2026, inclusive, on September 1, 2016, at a redemption price of 100% of the principal
103 amount thereof, and (2) the Refunded 2007 Bonds maturing in the years 2018 through 2027, inclusive, on
104 December 1, 2017 at a redemption price of 100% of the principal amount thereof, in each case plus
105 interest accrued and unpaid to the applicable redemption date. Notwithstanding the foregoing, the
106 irrevocable election contained in this Section shall only be effective with respect to the series, maturities
107 and principal amounts of the Refunded Bonds identified in the executive order referred to in Section 3 of
108 this Resolution.

109 Section 9: The County hereby covenants that it will take, or refrain from taking, any and all
110 actions necessary to comply with the applicable provisions of Section 103 and Sections 141 through 150,
111 inclusive, of the Internal Revenue Code of 1986, as amended (the "Code") and the Income Tax Regulations
112 thereunder, in order to preserve the status of the interest on the Bonds as excluded from gross income
113 for Federal income tax purposes. Without limiting the generality of the foregoing covenant, (a) the
114 County will not use or permit the use of any of the proceeds of the Bonds or any of the funds of the
115 County in such manner as would cause the interest on the Bonds to be included in gross income for
116 Federal income tax purposes, (b) the County will regulate the investment of the proceeds of the Bonds so
117 as not to cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code
118 and the Income Tax Regulations thereunder, (c) the County will, if and to the extent necessary, make
119 periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof,
120 to the United States of America, (d) the County will prepare and timely file Internal Revenue Service Form
121 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (e) the County Executive
122 and/or the Director of Finance are hereby authorized and directed to prepare or cause to be prepared

1 **EXHIBIT A**

2 (Form of Advertisement)

3 \$ _____ *
4 CECIL COUNTY, MARYLAND
5 REFUNDING BONDS OF 2015
6

7 Electronic bids via **PARITY®** will be received by Cecil County, Maryland (the
8 “County”) in the office of the County Executive of Cecil County, Maryland, Second Floor, Cecil
9 County Administration Building, 200 Chesapeake Boulevard, Elkton, Maryland 21921, until
10 _____, local time, on _____, _____, 2015, for the purchase of the above-
11 designated general obligation bonds of the County, aggregating \$ _____*, all dated their
12 date of initial delivery, all bearing interest payable semiannually on _____ 1 and _____ 1,
13 commencing _____ 1, 2015, until maturity or prior redemption, and maturing, subject to
14 prior redemption as herein stated, on _____ 1 as follows:

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

15
16 The aggregate principal amount and the principal amount of each maturity of the bonds
17 are subject to adjustment by the County, both before and after the receipt of bids for their
18 purchase. The dollar amount bid for principal and any amount bid for premium by the successful
19 bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate
20 principal amount of the bonds, but the interest rates specified by the successful bidder for all
21 maturities will not change. Procedures for announcing such adjustments and limitations on the
22 amounts of such adjustments after the sale are set forth in the official Notice of Sale and the
23 successful bidder may not withdraw its bid as a result of any changes made within the limits set
24 forth therein.

25
26 The bonds which mature on or before _____ 1, 202__ are not subject to redemption
27 prior to their maturities. The bonds which mature on and after _____ 1, 202__ are subject
28 to redemption at any time on or after _____ 1, 202__, as a whole or in part, at the option of
29 the County, after notice given as provided in the Resolution (hereinafter defined), at a _____
30 *Preliminary, subject to adjustment as provided herein.
31 redemption price for each bond redeemed equal to _____% of the principal amount of such bond
32 to be redeemed, plus accrued interest to the redemption date.
33

34 The bonds will be issued under the authority of Section 19-207 of the Local Government
35 Article of the Annotated Code of Maryland (2013 Replacement Volume) and are authorized to

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Refunding Bonds of 2015

36 be issued by a Resolution of the County Council of Cecil County, Maryland adopted on
37 _____, 2015 and an Executive Order executed and delivered by the County Executive of
38 Cecil County, Maryland on _____, 2015. The net proceeds of the bonds will be used to
39 refund certain outstanding general obligation bonds of the County.

40 Bidders must bid at least _____% of par, but no more than _____% of par, for the bonds
41 and must specify the rate or rates of interest to be paid thereon in multiples of 1/8th or 1/20th of
42 1%. Bidders may specify more than one rate of interest, but not more than one interest rate for
43 any maturity, nor a zero rate. The difference between the maximum and minimum interest rates
44 so specified may not be greater than ___% and the maximum interest rate permitted is ____%.
45 The bonds will be awarded to the bidder offering the lowest true interest cost to the County, such
46 interest cost to be determined in accordance with the true interest cost (TIC) method by doubling
47 the semiannual interest rate (compounded semiannually) necessary to discount the debt service
48 payments from the payment dates to the date of the bonds and to the price bid.

49 The County reserves the right to postpone, from time to time, the date established for the
50 receipt of bids. In addition, the County reserves the right, on the date established for the receipt
51 of bids, to reject all bids and establish a subsequent alternative sale date. The official Notice of
52 Sale contains specific provisions regarding the announcement of any such postponement and
53 alternative sale date.

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

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

60 The Preliminary Official Statement concerning this sale of bonds and the official Notice
61 of Sale will be supplied to prospective bidders upon request made in writing to the financial
62 advisor for the issuance of the bonds, Davenport & Company LLC, 8600 LaSalle Road, Suite
63 324, Towson, Maryland 21286, or by telephone (410) 296-9426.

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

65
66 By order of
67 CECIL COUNTY, MARYLAND

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69 By: Tari Moore, County Executive

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EXHIBIT B

**NOTICE OF SALE OF
\$ _____*
CECIL COUNTY, MARYLAND
REFUNDING BONDS OF 2015
General Obligation Bonds
Dated: Date of Initial Delivery**

Electronic bids via *PARITY*® will be received by Cecil County, Maryland (the “County”) in the office of the County Executive, Second Floor, Cecil County Administration Building, 200 Chesapeake Boulevard, Elkton, Maryland 21921, until _____ local time on

_____, 2015,

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

Terms of the Bonds

The Bonds are all dated their date of initial delivery, and bear interest payable semiannually on ____ 1 and _____ 1, commencing _____ 1, 2015, until maturity or prior redemption. The Bonds mature, subject to prior redemption as herein stated, on _____ 1 as follows:

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

*Preliminary, subject to adjustment as provided herein.

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101 The Bonds will be issued under the authority of Section 19-207 of the Local Government
102 Article of the Annotated Code of Maryland (2013 Replacement Volume) and are authorized to
103 be issued by a Resolution of the County Council of Cecil County, Maryland adopted on
104 _____, 2015 and an Executive Order executed and delivered by the County Executive of
105 Cecil County, Maryland on _____, 2015 (the "Executive Order"), to refund certain
106 outstanding general obligation bonds of the County.
107

108 The full faith and credit and unlimited taxing power of the County are unconditionally
109 pledged to the payment of the principal of the Bonds and of the interest to accrue thereon.
110

111 **Optional Redemption**

112
113 The Bonds which mature on or before _____ 1, 202__ are not subject to
114 redemption prior to their maturities. The Bonds which mature on and after _____ 1, 202__
115 are subject to redemption at any time on or after _____ 1, 202__, as a whole or in part, at
116 the option of the County, at a redemption price equal to ___% of the principal amount of the
117 Bonds to be redeemed, plus accrued interest to the redemption date.

118 If less than all of the Bonds are to be redeemed, the particular maturities to be redeemed
119 shall be selected by the County. If selection by lot within a maturity is required,
120 _____ (the "Registrar" and "Paying Agent"), shall by random selection of the
121 names of the registered owners of the entire annual maturity select the Bonds to be redeemed
122 until the total amount of Bonds to be redeemed has been reached, except that so long as The
123 Depository Trust Company, New York, New York ("DTC"), or its nominee is the sole registered
124 owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by lot by
125 DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as
126 a separate Bond in the selection by lot of Bonds to be redeemed.
127

128 If the County elects to redeem all or a portion of the Bonds outstanding, it shall deliver a
129 redemption notice to DTC prior to the date fixed for redemption by a secure means as prescribed
130 in the Executive Order. If the book-entry system is discontinued for the Bonds, the County shall
131 give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of
132 the Bonds to be redeemed at their last addresses appearing on the registration books maintained
133 by the Registrar not less than 30 days prior to the redemption date. Failure to deliver or mail any
134 such notice with respect to a particular Bond or any defect in such notice, or in the delivery or
135 mailing thereof, shall not affect the validity of the redemption proceedings. From and after the
136 date fixed for redemption, if funds sufficient for the payment of the redemption price and
137 accrued interest are available on such date, the Bonds designated for redemption shall cease to
138 bear interest.

139 **Book-Entry System**

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141 The Bonds will be issued in fully registered book-entry form and DTC will act as
142 securities depository for the Bonds. One Bond representing each maturity of the Bonds will be
143 issued to and registered in the name of Cede & Co., as nominee of DTC, as registered owner of
144 the Bonds and each such Bond shall be immobilized in the custody of DTC or with the Registrar
145 to be held under DTC's "FAST" system, provided that if DTC requests, certificated Bonds will
146 be issued in denominations of \$5,000 or any integral multiple thereof. Individual purchases will
147 be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple
148 thereof. Purchasers will not receive physical delivery of certificates representing their interest in
149 the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be
150 required to deposit the Bond certificates representing each maturity with DTC.

151
152 Interest on the Bonds will be payable when due and principal and redemption price of the
153 Bonds will be payable at maturity or upon earlier redemption to DTC or its nominee as registered
154 owner of the Bonds. Transfer of principal and interest payments to beneficial owners of the
155 Bonds by participants of DTC ("Participants") will be the responsibility of Participants and other
156 nominees of beneficial owners. The County will not be responsible or liable for such transfers of
157 payments or for maintaining, supervising or reviewing the records maintained by DTC
158 Participants or persons acting through Participants.

159
160 In the event that DTC determines not to continue to act as securities depository for the
161 Bonds or the County determines to discontinue the book-entry system with DTC, and the County
162 does not replace DTC with another securities depository, the County will execute and the
163 Registrar will authenticate and deliver replacement Bonds in certificated form registered in the
164 names of the Participants or, if requested in writing by such Participants, in the names of the
165 beneficial owners of the Bonds. Replacement Bonds issued to Participants or to beneficial
166 owners shall be in authorized denominations and be in fully registered form in substantially the
167 form set forth in the Executive Order.

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169 **Adjustments**

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171 The aggregate principal amount and the principal amount of each maturity of the Bonds
172 are subject to adjustment by the County, both before and after the receipt of bids for their
173 purchase. Changes to be made prior to the sale will be through TM3 News Service not later than
174 9:30 a.m. local time on the date of sale (or as soon thereafter as is reasonably practical) and will
175 be used to compare bids and select a winning bidder. Changes to be made after the sale and the
176 maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m.
177 local time on the date of the sale, will be made only as necessary to effect the refunding, and will
178 not reduce or increase the aggregate principal amount of the Bonds by more than ___% from the
179 amount bid upon. The dollar amount bid for principal and any amount bid for premium by the
180 successful bidder will be adjusted proportionately to reflect any reduction or increase in the
181 aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder
182 for all maturities will not change. The successful bidder may not withdraw its bid as a result of
183 any changes made within these limits.

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Electronic Bids

Electronic bids via *PARITY*® will be received in the manner described below until _____ a.m. local time on _____, 2015. For purposes of the electronic bidding process, the time as maintained on *PARITY*® constitutes the official time. Bidders may only submit bids electronically via *PARITY*®.

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

Bid Parameters

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

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

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via *PARITY*®. Bids will be communicated electronically to the County at _____ a.m. local time, on _____, _____, 2015. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via *PARITY*®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via *PARITY*® to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided.

224 **Disclaimer**

225
226 Each prospective bidder shall be solely responsible to submit its bid via *PARITY*® as
227 described above. Each prospective bidder shall be solely responsible to make necessary
228 arrangements to access *PARITY*® for the purpose of submitting its bid in a timely manner and in
229 compliance with the requirements of this Notice of Sale. Neither the County nor *PARITY*® shall
230 have any duty or obligation to provide or assure access to *PARITY*® to any prospective bidder,
231 and neither the County nor *PARITY*® shall be responsible for proper operation of, or have any
232 liability for any delays or interruptions of, or any damages caused by *PARITY*®. The County is
233 using *PARITY*® as a communication mechanism, and not as the County’s agent, to conduct the
234 electronic bidding for the Bonds. The County is not bound by any advice and determination of
235 *PARITY*® to the effect that any particular bid complies with the terms of this Notice of Sale and
236 in particular the “Bid Parameters” set forth herein. All costs and expenses incurred by
237 prospective bidders in connection with their submission of bids via *PARITY*® are the sole
238 responsibility of the bidders and the County is not responsible, directly or indirectly, for any of
239 such costs or expenses. If a prospective bidder encounters any difficulty in submitting,
240 modifying or withdrawing a bid for the Bonds, such bidder should telephone *PARITY*® at
241 Dalcomp (212) 849-5021 and notify the County’s Financial Advisor, Davenport & Company
242 LLC by facsimile at (866) 932-6660.

243
244 **Basis of Award**

245
246 Bids will be opened promptly after _____ a.m. local time (as determined in accordance
247 with the time maintained on *PARITY*®), on _____, _____, 2015. The award, if made,
248 will be made promptly after the bids are opened to the bidder offering the lowest true interest
249 cost to the County in any legally acceptable bid. The lowest true interest cost shall be determined
250 in accordance with the true interest cost (“TIC”) method by doubling the semiannual interest rate
251 (compounded semiannually) necessary to discount the debt service payments from the payment
252 dates to the date of the Bonds, and to the price bid. The TIC shall be as determined by the
253 financial advisor to the County based on the terms of this Notice of Sale and all amendments
254 thereto and on each bid as submitted. If two or more bidders offer to purchase the Bonds at the
255 same lowest true interest cost, then such award will be made to the bidder offering the highest
256 premium. If two or more bidders offer to purchase the Bonds at the same lowest true interest
257 cost, with the same premium, the Bonds will be awarded by lot to one of such bidders.

258
259 **Good Faith Deposit**

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261 A good faith deposit (the “Deposit”) is required in connection with the sale and bid for
262 the Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the
263 amount of \$ _____ to be submitted to the County by the successful bidder not later than
264 3:00 p.m. local time (the “Deposit Deadline”) on the date of sale or (ii) a financial surety bond (a
265 “Surety Bond”) from an insurance company acceptable to the County and licensed to issue such
266 a bond in the State of Maryland in the amount of \$ _____, each option as described in
267 more detail below. The Deposit of the successful bidder will be retained by the County to be
268 applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount

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

271
272 If a federal funds wire transfer is used, the County shall distribute wiring instructions
273 for the Deposit to the successful bidder upon verification of the bids submitted by the bidders
274 and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the
275 award of the sale of the Bonds to the successful bidder may be cancelled by the County in its
276 discretion without any financial liability of the County to the successful bidder or any limitation
277 whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and
278 conditions as the County shall deem appropriate.

279
280 If a Surety Bond is used, it must be submitted to the County prior to 5:00 p.m. local
281 time on the day prior to the date for receipt of bids, and must be in form and substance
282 acceptable to the County, including (without limitation) identifying the bidder whose Deposit is
283 guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond,
284 then such successful bidder is required to submit its Deposit to the County not later than 12:00
285 p.m. local time on the next business day following the award in accordance with wire
286 instructions delivered by the County to such bidder. If such Deposit is not received by that time,
287 the Surety Bond may be drawn by the County to satisfy the Deposit requirement.

288
289 **Postponement of Sale**

290
291 The County reserves the right to postpone, from time to time, the date established for the
292 receipt of bids. Any such postponement will be announced by TM3 News Service by notice
293 given not later than 1:00 p.m. local time, on the last business day prior to any announced date for
294 receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed,
295 any alternative sale date will be announced via TM3 News Service at least 48 hours prior to such
296 alternative sale date. In addition, the County reserves the right, on the date established for the
297 receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such
298 alternative sale date, any bidder may submit an electronic bid via *PARITY*® for the purchase of
299 the Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the
300 date of sale and except for any changes announced by TM3 News Service at the time the sale
301 date and time are announced.

302
303 **Approving Legal Opinion; Closing Papers**

304
305 The Bonds will be issued and sold subject to approval as to legality by McGuireWoods
306 LLP, of Baltimore, Maryland, Bond Counsel, and copies of their approving legal opinion will be
307 delivered, upon request, without charge to the successful bidder for the Bonds. There will also be
308 furnished upon delivery of the Bonds the usual closing papers and, in addition, a certificate
309 signed by appropriate officers of the County certifying that there is no litigation pending or, to
310 the knowledge of the signers of such certificate, threatened affecting the validity of the Bonds
311 and that on the date of the Official Statement mentioned below and at the time of delivery of the
312 Bonds, the statements and information contained in such Official Statement which are made and
313 provided by the County are and will be true, correct and complete in all material respects and the

314 Official Statement does not and will not omit any statement or information which is required to
315 be stated therein or necessary to make the statements and information therein, in light of the
316 circumstances under which they were made, not misleading or incomplete in any material
317 respect.

318
319 **Preliminary Official Statement; Continuing Disclosure**

320
321 Within seven (7) business days after the award of the Bonds, the County will authorize an
322 Official Statement, which is now expected to be substantially in the form of the Preliminary
323 Official Statement referred to below. The Preliminary Official Statement has been deemed final
324 by the County as of its date for the purposes of Rule 15c2-12 of the Securities and Exchange
325 Commission ("Rule 15c2-12"), subject to revision, amendment and completion in the final
326 Official Statement. The County will also issue any supplement or amendment to the Official
327 Statement that may be necessary between the date of the Official Statement and the date of
328 delivery of the Bonds. If requested and furnished to the County in writing by the successful
329 bidder at or before the close of business on the day of sale, the County will include in the Official
330 Statement such pricing and other information relating to the reoffering of the Bonds, if any, as
331 may be so furnished. If no such information is furnished by the successful bidder, the Official
332 Statement will include the interest rates on the Bonds resulting from the bid of the successful
333 bidder and the other statements with respect to reoffering contained in the Preliminary Official
334 Statement. Whether or not any such information is included in the Official Statement, the
335 successful bidder shall be responsible to the County and its officials in all respects for the
336 accuracy, fairness and completeness of such information, and for all decisions made with respect
337 to the use or omission of such information in any reoffering of the Bonds, including the
338 presentation or exclusion of any such information in any documents, including the Official
339 Statement. Within seven (7) business days after the award of the Bonds, the successful bidder
340 will also be furnished, without cost, up to 500 copies of the Official Statement (and any
341 amendment or supplement thereto).

342
343 The County has made certain covenants for the benefit of the holders from time to time of
344 the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in
345 complying with Rule 15c2-12. Such covenants are described in the Preliminary Official
346 Statement for the Bonds.

347
348 **Bond Insurance**

349
350 In the event that all or any part of the Bonds are initially reoffered with bond insurance
351 secured by the successful bidder, the successful bidder shall notify promptly the Director of
352 Finance of the County at the time of sale of such event and shall provide him with any
353 information he reasonably requests regarding such bond insurance, including the amounts paid
354 for such insurance. The County will, at the request and expense of the successful bidder, include
355 customary language in the Official Statement and the form of the Bonds regarding the bond
356 insurance policy upon receipt of such opinions or certificates as the County reasonably may
357 request regarding the accuracy of any information to be included in the Official Statement and
358 the binding nature of the obligations contained in the bond insurance policy with respect to the

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APPENDIX
Refunding Bonds of 2015

359 Bonds. The County shall have no obligation to provide the successful bidder or the issuer of
360 such bond insurance policy with any other documents or opinions relating to the Bonds. Neither
361 the failure of the Bonds to be insured by such bond insurance policy nor any change in the
362 ratings provided by any rating agency with respect to the issuer of such bond insurance policy
363 occurring between the time of the award of the Bonds and the time the Bonds are delivered shall
364 relieve the successful bidder of its contractual obligation to purchase the Bonds.

365
366 **Delivery**

367
368 The Bonds will be delivered on _____, 2015, or as soon as practicable thereafter,
369 upon due notice and at the expense of the County, for the account of the successful bidder,
370 through the facilities of DTC in New York, New York, upon payment of the amount of the
371 successful bid (including any premium), less the Deposit theretofore made. Such payment shall
372 be made in Federal funds.

373
374 **Miscellaneous**

375
376 As a condition to the award of the Bonds, the successful bidder shall be required to
377 communicate to the County the initial offering prices at which a bona fide offering of Bonds has
378 been made to the public, which prices are to be shown on the cover of the Official Statement (the
379 "Initial Offering Prices"). Furthermore, as a condition to the delivery of the Bonds, the
380 successful bidder shall be required to furnish to the County a written certificate acceptable to the
381 County's bond counsel to the effect that the successful bidder has made a bona fide public
382 offering of the Bonds at the Initial Offering Prices and that a substantial portion of each maturity
383 of the Bonds has been sold to the public (excluding bond houses, brokers and other
384 intermediaries) at the respective Initial Offering Prices. Such certifications shall be made based
385 on actual facts known to the successful bidder as of the sale date. For purposes of the successful
386 bidder's certificate, a substantial portion of the Bonds is at least 10% in par amount of each
387 maturity of the Bonds. If the successful bidder cannot deliver the certificate as described above,
388 the County's bond counsel will be required to evaluate the facts and circumstances of the
389 offering and sale of the Bonds to confirm compliance with statutory requirements of avoiding the
390 establishment of an artificial price for the Bonds.

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

395
396 The Preliminary Official Statement, together with this official Notice of Sale, will be
397 supplied to prospective bidders upon request made in writing to the financial advisor for the
398 issuance of the Bonds, Davenport & Company LLC, 8600 LaSalle Road, Suite 324, Towson,
399 Maryland 21286, or by telephone 410-296-9426.

400
401 By order of CECIL COUNTY, MARYLAND

402 By: Tari Moore, County Executive

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Refunding Bonds of 2015**

123 and to execute any certificate or other document which may be required in order to assure compliance
124 with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and
125 the Income Tax Regulations thereunder.

126 Section 10:

127 **AND, BE IT FURTHER RESOLVED** that this Resolution shall take effect on the date of its passage by the
128 County Council of Cecil County, Maryland.

INTRODUCED: January 6, 2015

ADOPTED: January 20, 2015



President of the Council

ATTEST:



Council Manager