

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 12, 2012

NEW ISSUE — BOOK ENTRY ONLY

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, under existing law, the interest on the Bonds (a) is excludable from gross income of the owners thereof for Federal income tax purposes, and (b) is not an enumerated item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the interest on the Bonds is exempt from taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon. See "LEGAL MATTERS -- Tax Matters."

**Cecil County, Maryland
General Obligation Bonds**

\$39,920,000*

**County Commissioners of Cecil County
Consolidated Public Improvement and Refunding Bonds of 2012**

Dated: Date of Initial Delivery

Due: November 1, as shown on inside cover

Bond Ratings	Moody's Investors Service: Standard & Poor's:
Redemption	Bonds maturing on or after November 1, 2023 are redeemable in whole or in part, on or after November 1, 2022 — Page 2
Security Purpose	General obligations of County Commissioners of Cecil County, Maryland The proceeds are being used to provide funds for the design, planning, renovation, construction and equipping of certain public facilities in the County and to refund certain outstanding County bonds — Page 2
Interest Payment Dates	May 1 and November 1, beginning November 1, 2012
Closing/Settlement	On or about April 5, 2012
Denominations	\$5,000
Book-Entry Only Form	The Depository Trust Company, New York, NY
Bond Registrar/Paying Agent	Manufacturers and Traders Trust Company, Baltimore, MD/Buffalo, NY
Bond Counsel	McGuireWoods LLP, Baltimore, MD
Financial Advisor	Davenport & Company LLC, Towson, MD
Issuer Contact	Cecil County Treasurer: (410) 996-5385

FOR MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS, SEE INSIDE FRONT COVER

The Bonds are offered for delivery when, as, and if issued, subject to the approving opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, and other conditions set forth in the official Notice of Sale. The Bonds will be available for delivery through the facilities of the Depository Trust Company in New York, New York on or about March 22, 2012.

This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*Preliminary, subject to change.

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. These Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$39,920,000*
County Commissioners of Cecil County
Consolidated Public Improvement and Refunding Bonds of 2012

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIPS

<u>Maturing November 1</u>	<u>Principal Amount*</u>	<u>Interest Rate**</u>	<u>Price or Yield**</u>	<u>CUSIP</u>	<u>Maturing November 1</u>	<u>Principal Amount*</u>	<u>Interest Rate**</u>	<u>Price or Yield**</u>	<u>CUSIP</u>
2013	\$1,060,000				2024	\$2,690,000			
2014	1,650,000				2025	2,765,000			
2015	2,165,000				2026	735,000			
2016	3,685,000				2027	735,000			
2017	3,795,000				2028	735,000			
2018	3,460,000				2029	735,000			
2019	2,900,000				2030	735,000			
2020	2,965,000				2031	735,000			
2021	2,480,000				2032	735,000			
2022	2,545,000								
2023	2,615,000								

* Preliminary, subject to change.

** The interest rates shown above are the interest rates payable by the County resulting from the successful bid for the Bonds on March 22, 2012. The prices or yields shown above were furnished by the successful bidder for the Bonds. All other information concerning the terms of reoffering of the Bonds should be obtained from the successful bidder and not from the County. See "SALE AT COMPETITIVE BIDDING".

CUSIP is a registered trademark of and the CUSIP numbers set forth in the tables above are copyrighted by the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and the County takes no responsibility for the selection or accuracy thereof. These data are not intended to create a database and do not serve in any way as a substitute for the CUSIP Service Bureau.

Certain Elected Officials

Board of County Commissioners

James T. Mullin — President
Diana Broomell — Vice-President
Tari Moore — Commissioner
Michael Dunn — Commissioner
Robert J. Hodge — Commissioner

William M. Feehley, CPA — County Treasurer

Certain Appointed Officials

Alfred C. Wein, Jr. — County Administrator and Clerk
Craig W. Whiteford — Budget Manager
H. Norman Wilson, Jr. — County Attorney
W. Scott Flanigan — Director of Public Works
Eric S. Sennstrom — Director of Planning and Zoning
Lisa L. Webb — Director of Economic Development

BOND COUNSEL
McGuireWoods LLP
Baltimore, Maryland

FINANCIAL ADVISOR
Davenport & Company LLC
Towson, Maryland

AUDITOR
SB & Company, LLC
Hunt Valley, Maryland

**BOND REGISTRAR,
PAYING AGENT AND ESCROW AGENT**
Manufacturers and Traders Trust Company
Baltimore, Maryland/Buffalo, New York

VERIFICATION AGENT
The Arbitrage Group
Tuscaloosa/Buhl, Alabama

Requests for additional copies of this Official Statement or any questions regarding this Official Statement or the Bonds should be directed to William M. Feehley, CPA, County Treasurer, 200 Chesapeake Blvd, Suite 1100, Elkton, Maryland 21921 (410) 996-5385 or to A. Samuel Ketterman, Davenport & Company LLC, 8600 LaSalle Road, Suite 324, Towson, Maryland 21286-2011, (410) 296-9426.

No dealer, broker, salesman or other person has been authorized by the County or the successful bidder to give any information or to make any representations with respect to the County or the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the successful bidder. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or registered owners of any of the Bonds.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the County since the respective dates as of which information is given herein.

SUMMARY OF OFFERING

Issuer

County Commissioners of Cecil County, a body politic and corporate and a political subdivision of the State of Maryland.

Bonds

County Commissioners of Cecil County Consolidated Public Improvement and Refunding Bonds of 2012 (the “Bonds”), dated their date of initial delivery, in the aggregate principal amount of \$39,920,000*. The Bonds will be fully registered in denominations of \$5,000 or any integral multiple thereof.

Interest Payment Dates

Semiannually on May 1 and November 1, beginning November 1, 2012, until maturity or earlier redemption.

Payment and Transfer

The Bonds will initially be maintained under a book-entry only system. Principal of, premium, if any, and interest on the Bonds will be paid by the Paying Agent as described herein under the caption “THE BONDS — Payment and Transfer.” The Bonds may be registered, transferred, and assigned only on the registration books maintained by the Bond Registrar as described herein under the caption “THE BONDS — Payment and Transfer.”

Redemption

The Bonds that mature on or before November 1, 2022 are not subject to redemption prior to their stated maturities. Beginning November 1, 2022, Bonds maturing on or after November 1, 2023 are subject to redemption as a whole or in part on any date thereafter at the option of the County at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest as described herein under the caption “THE BONDS — Redemption.”

Federal and Maryland Income Tax Exemptions

Information as to the tax status of the Bonds may be found in the section of this Official Statement captioned “LEGAL MATTERS — Tax Matters.”

Application of Proceeds

The proceeds of the sale of the Bonds will be used to finance the design, planning, renovation, construction and equipping of certain public facilities in the County, including schools, community college facilities, public safety facilities, roads and bridges, and wastewater treatment facilities and to refund certain outstanding County bonds as more particularly described in Appendix D.

Security

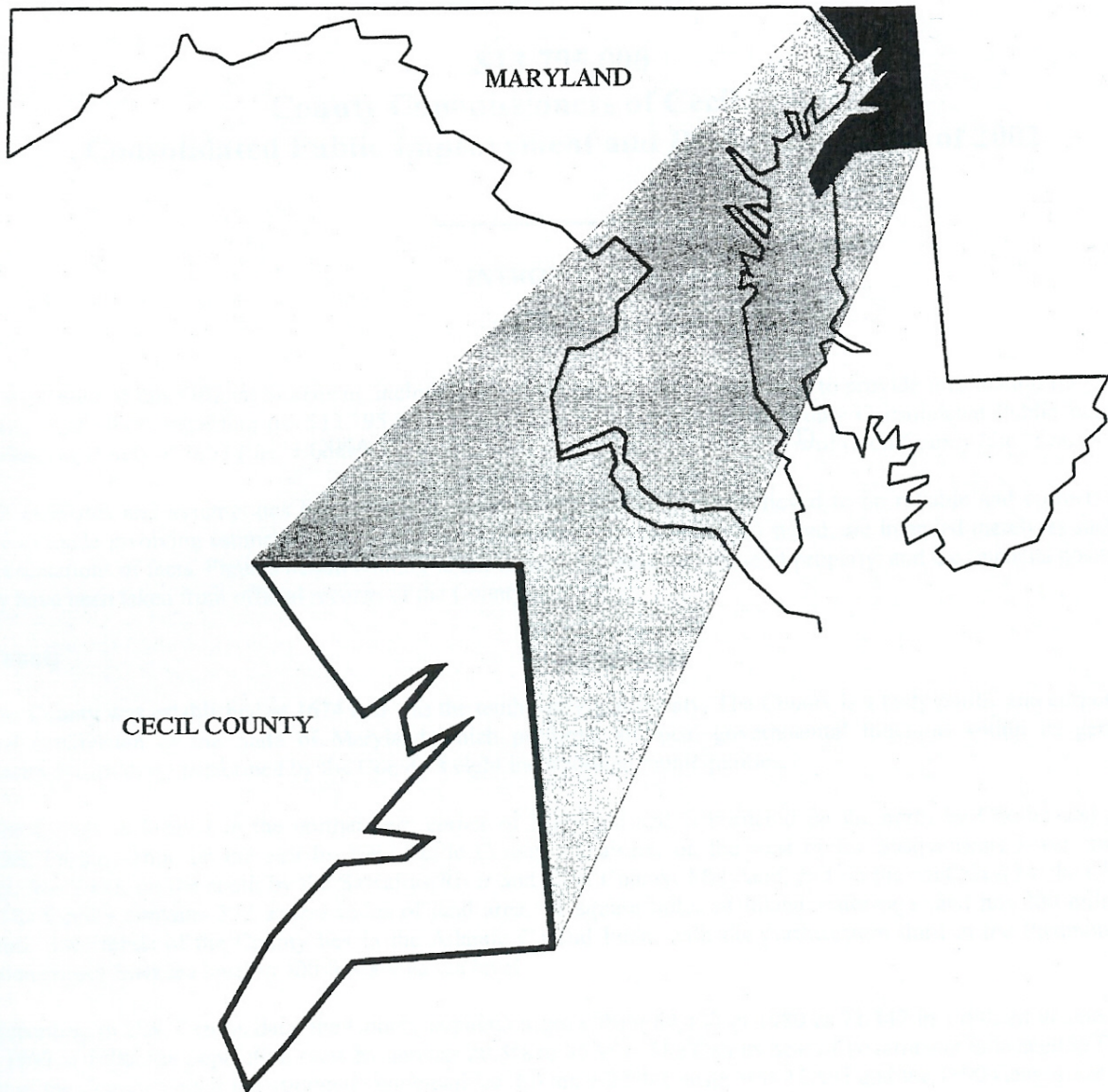
All of the Bonds will be general obligations of the County to the payment of which the full faith and credit of the County are pledged.

Payment Record

The County has not defaulted on the payment of the principal of or interest on any of its general obligation bonds or notes.

**THE FOREGOING INFORMATION IS QUALIFIED IN ITS ENTIRETY BY THE DETAILED
INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND POTENTIAL
INVESTORS SHOULD REVIEW THE ENTIRE OFFICIAL STATEMENT.**

*Preliminary, subject to change.



OFFICIAL STATEMENT

Cecil County, Maryland General Obligation Bonds

\$39,920,000*

County Commissioners of Cecil County Consolidated Public Improvement and Refunding Bonds of 2012

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and appendices, is to provide information for prospective purchasers and others regarding the \$39,920,000* County Commissioners of Cecil County Consolidated Public Improvement and Refunding Bonds of 2012 to be issued by the County Commissioners of Cecil County (the "County").

All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts. Figures herein relating to tax collections, assessed value of property, and the financial position of the County have been taken from official records of the County.

The County

The County was established in 1674 and was the tenth Maryland county. The County is a body politic and corporate and a political subdivision of the State of Maryland which performs all local governmental functions within its geographical boundaries except those performed by the County's eight incorporated municipalities.

The County is located in the northeastern corner of Maryland and is bordered on the north by Chester and Lancaster Counties, Pennsylvania, on the east by New Castle County, Delaware, on the west by the Susquehanna River and Harford County, Maryland, on the south by the Sassafra River and Kent County, Maryland, and on the southwest by the Chesapeake Bay. The County contains 352 square miles of land area, 21 square miles of inland waterways, and has 200 miles of tidal shoreline. Two-thirds of the County lies in the Atlantic Coastal Plain, with the northwestern third in the Piedmont Plateau. Elevation ranges from sea level to 500 feet above sea level.

According to U.S. Census data, the County population grew from 60,430 in 1980 to 71,347 in 1990, an increase of 18%. From 1990 to 2000, the population grew by another 20.5% to 85,951. The population is currently estimated to be 101,108 reflecting growth of 17.6% since 2000. The County seat of government is located in Elkton, the largest of the County's eight incorporated municipalities. Elkton's 2010 census was 15,443 and the 2000 Census was 11,893, an increase of 29.8%.

The physical character of the County is largely rural, but its proximity to major East Coast cities has spurred faster-than-average economic growth in recent years. Development efforts have and will continue to be concentrated at interchanges of I-95 and along U.S. Route 40, which traverse the County in an east-west direction. Agriculture is still a major segment of the economy, but most economic growth has occurred in the manufacturing, distribution, service and tourism sectors.

The County is governed by an elected five-member Board of County Commissioners (the "Board"). In November 2010, the citizens of Cecil County voted to change the form of government from Commissioner to Charter. This change will take place on December 3, 2012, at which time all legislative powers will be vested in the County Council and all executive power will be vested in the County Executive. On that date, the three County Commissioners who represent Districts 2, 3 and 4 and the two candidates for Districts 1 and 5 elected in November, 2012 will become County Council

*Preliminary, subject to change.

members. The first County Executive will also be elected in November, 2012, and will serve a four-year term, beginning on December 3, 2012. The office of County Treasurer will cease to exist on January 1, 2013, and the powers and duties of that office will be performed by the Director of Finance appointed in accordance with the Charter.

The administrative offices of the County are located at 200 Chesapeake Boulevard, Elkton, Maryland 21921. The County's main telephone number is (410) 996-5200. The County's internet address is www.ccgov.org.

All references in this Official Statement to the County's internet home page are provided for convenience only. The information on the County's internet home page is *not* incorporated herein, by reference or otherwise.

APPLICATION OF PROCEEDS

General

A portion of the proceeds of the sale of the Bonds in the principal amount of \$14,750,000 will be used to finance the design, planning, renovation, construction and equipping of certain public facilities in the County, including schools, community college facilities, public safety facilities, roads and bridges, and wastewater treatment facilities. The remaining proceeds of the Bonds will be used to refund certain outstanding maturities of the County's general obligation bonds. The bond issues, maturities, and principal amounts to be refunded are described in Appendix D and are hereinafter referred to collectively as the "Refunded Bonds".

Refunding

A portion of the proceeds of the Bonds will be used to refund the Refunded Bonds. The refunding method being used is frequently termed a "net defeasance" in that provision is made to set aside immediately, from the proceeds of a refunding bond issue and other funds then available for debt service on the Refunded Bonds, monies for investment which, together with the interest to be received thereon, shall be sufficient to satisfy all payments of principal of and premium, if any, and interest on the Refunded Bonds to and including the date on which such bonds are redeemed.

A portion of the proceeds of the Bonds will be applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America ("Government Obligations") and to pay certain expenses of the County related to the issuance and disposition of the proceeds of the Bonds. The Government Obligations will be held in trust in an escrow deposit fund ("Escrow Deposit Fund") by Manufacturers and Traders Trust Company (the "Escrow Agent") pursuant to an escrow deposit agreement between the Escrow Agent and the County. The Government Obligations will mature at such times and in such amounts, and will bear interest payable at such times and in such amounts so that sufficient money will be available to pay when due, all principal of and premium, if any, and interest on the Refunded Bonds to and including their respective dates of redemption. (See "VERIFICATION OF MATHEMATICAL COMPUTATIONS"). The Escrow Agent will apply the maturing principal of and the interest on the Government Obligations to the payment of (i) the interest on the Refunded Bonds prior to their respective dates of redemption and (ii) the redemption price of the Refunded Bonds. The Escrow Agent has been irrevocably instructed to redeem the Refunded Bonds at the earliest practicable redemption date at a price equal to the principal amount thereof plus any applicable premium and accrued interest. See Appendix D for a list of the Refunded Bonds and their respective dates of redemption. The Government Obligations will be pledged only to the payment of the principal of, premium, if any, and interest on the Refunded Bonds, and are not available for the payment of principal of, premium, if any, or interest on the Bonds.

THE BONDS

General

The Bonds will initially be maintained under a book-entry only system; beneficial owners shall have no right to receive physical delivery of certificates representing their interest in the Bonds. Manufacturers and Traders Trust Company will act as bond registrar and paying agent (the "Bond Registrar" and "Paying Agent") for the Bonds. The Bonds will be dated as of the date of initial delivery, will be issued in the aggregate principal amount of \$39,920,000* and will mature on November 1, in annual serial installments, beginning with the year 2013 and ending with the year 2032, in the principal amounts set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on semiannually on May 1 and November 1 of each year, beginning November 1, 2012, at the interest rates set forth on the

*Preliminary, subject to change.

inside cover of this Official Statement until maturity or earlier redemption. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds will be general obligations of the County to the payment of which the full faith and credit and unlimited taxing power of the County are pledged. (See “THE BONDS — Sources of Payment.”)

Authorization

The Bonds are consolidated pursuant to a resolution of the Board adopted on March 6, 2012, in accordance with the provisions of Section 2C of Article 31 of the Annotated Code of Maryland (2010 Replacement Volume). The Bonds are issued pursuant to the authority of Chapter 266 of the Laws of Maryland of 2009, Chapter 101 of the Laws of Maryland of 2010, Sections 67-22 through 67-31, inclusive, of the Code of Cecil County (1989 Edition), as amended, and Article 31, Section 24 of the Annotated Code of Maryland (2010 Replacement Volume). (See “CERTAIN DEBT INFORMATION”). The Bonds are authorized to be issued, sold and delivered by the resolution of the Board adopted on March 6, 2012, as supplemented (the “Bond Resolution”).

Redemption

Bonds that mature on or before November 1, 2022 are not subject to redemption prior to their stated maturities. The Bonds that mature on or after November 1, 2023 are subject to redemption, at the option of the County, on or after November 1, 2022 as a whole or in part on any date thereafter, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Bonds shall be called for redemption, the particular maturities of the Bonds 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 or portions of Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar, except that so long as the Depository Trust Company (“DTC”) or its nominee is the sole registered owner of the Bonds, the particular Bonds or portions thereof to be redeemed shall be selected by lot by DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof a Bond or Bonds in any of the authorized denominations as specified by the registered owner. The amount of the Bond or Bonds issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bond or Bonds issued shall bear the same interest rate and shall mature on the same date as the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, it shall deliver a redemption notice to DTC not less than 30 days prior to the date fixed for redemption (or such fewer number of days as shall be acceptable to DTC) by a secure means as prescribed in the Bond Resolution. 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 Bond Registrar (the “Bond Register”) 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.

From and after the date fixed for redemption, if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall become due and payable at the redemption price provided for the redemption of such Bonds on such date, interest on the Bonds shall cease to accrue and the registered owners of such Bonds so called for redemption shall have no rights in respect thereof except to receive payment of the redemption price thereof from such monies held by the Paying Agent. Upon presentation for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

Form and Denomination

The Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The County may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest thereon and for all other purposes.

Payment and Transfer

So long as the Bonds are maintained in book-entry form, payment of the principal or redemption price of and interest on the Bonds will be made as described below under "Book-Entry Only System." At any other time, the Bonds will be payable to the registered owners, in any lawful money of the United States of America at the time of payment, as to principal at the designated corporate trust office of the Paying Agent, and as to interest by check mailed to the registered owners, as shown in the Bond Register on the fifteenth day of the month immediately preceding each interest payment date.

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

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

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

Sources of Payment

The full faith and credit and unlimited taxing power of the County are irrevocably pledged to the payment of the maturing principal of and interest on the Bonds as and when they become payable. The County has covenanted in the Bond Resolution that in each and every fiscal year that any of the Bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on all of the Bonds maturing in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency.

Bondholders' Remedies

It is the opinion of Bond Counsel that the County may be sued in the event that it fails to perform its obligations under the Bonds to the holders thereof and that any judgments resulting from such suits would be enforceable against the County. Nevertheless, a holder of a Bond who has obtained any such judgment may be required to seek additional relief to compel the County to levy and collect such taxes as may be necessary to provide the funds from which such judgment may be paid. Although there is no Maryland law with respect to this issue, it is the opinion of Bond Counsel that the appropriate courts of Maryland have jurisdiction to grant additional relief, such as a mandatory injunction, if necessary, to enforce the levy and collection of such taxes and payment of the proceeds thereof to the holders of the County's general obligation bonds, including the Bonds, ratably, subject to the inherent constitutional limitations referred to below.

It is also the opinion of Bond Counsel that, while remedies would be available to the holders of the Bonds and while the Bonds are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies would not be absolute. Enforcement of a claim for payment of the principal of, premium, if any, or interest on the Bonds could be made subject to the applicable provisions of Federal bankruptcy laws or of other statutes that hereafter may be constitutionally enacted by the United States Congress or the Maryland General Assembly extending the time of payment or imposing other constraints upon enforcement.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds of a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County, the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

Book-Entry Only System – Miscellaneous

The information in the section "BOOK-ENTRY ONLY SYSTEM — The Depository Trust Company" has been obtained by the County from DTC. The County takes no responsibility for the accuracy or completeness thereof. Neither the County, the Bond Registrar nor the Paying Agent will have any responsibility or obligations to the Direct or Indirect Participants or the persons for whom they act as nominees with respect to the payments to or in the providing of notice to the Direct or Indirect Participants, or Beneficial Owners. The County cannot and does not give any assurance that the Direct or Indirect Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any redemption or other notices to the Beneficial Owners, or that they will do so on a timely basis or that they will serve and act in the manner described in this Official Statement.

Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued, the Bonds will be delivered by DTC to the Bond Registrar and such Bonds will be exchanged for Bonds registered in the names of the Direct Participants or the Beneficial Owners identified to the Bond Registrar. In such event, certain provisions of the Bonds pertaining to ownership of the Bonds will be applicable to the registered owners of the Bonds as described herein. (See "THE BONDS").

LEGAL MATTERS

Approval of Legal Proceedings

McGuireWoods LLP, Baltimore, Maryland, is acting as Bond Counsel in connection with the authorization, sale, issuance and delivery of the Bonds. The County has been advised by Bond Counsel in connection with legal statements contained in this Official Statement; however, Bond Counsel has not passed on or assumed responsibility for the accuracy of the financial statements and economic data contained herein. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of an unqualified opinion substantially in the form set forth in Appendix B to this Official Statement. A copy of the approving legal opinion will be delivered, upon request, without charge, to the successful bidder for the Bonds.

TAX MATTERS

Opinion of Bond Counsel – Federal Income Tax Status of Interest. In the opinion of Bond Counsel, under existing law, the interest on the Bonds (a) is excludable from gross income of the owners thereof for Federal income tax purposes, and (b) is not an enumerated item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

Bond Counsel will express no opinion regarding other Federal tax consequences arising with respect to the Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for Federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). The County has covenanted, however, to comply with the requirements of the Code.

Reliance and Assumptions; Effect of Certain Changes. In delivering its opinion regarding the Bonds, Bond Counsel is relying upon certifications of representatives of the County as to facts material to the opinion, which Bond Counsel has not independently verified. In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of Federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The Tax Certificate and Compliance Agreement executed and delivered by the County on the date of delivery of the Bonds (the "Tax Agreement") contains covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the Bonds to become includable in gross income for Federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes. Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Agreement, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Tax Agreement. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Bonds from gross income for Federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning or disposing of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments made after March 31, 2007 to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on Federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for Federal tax purposes or any other Federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Original Issue Discount. The "original issue discount" ("OID") on any Bond is the excess of such Bond's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such Bond. The "issue price" of a Bond is the initial offering price to the public at which price a substantial amount of the Bonds of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The issue price for each maturity of the Bonds is expected to be the initial public offering price set forth on the inside front cover of this Official Statement, but is subject to change based on actual sales. OID on the Bonds with OID (the "OID Bonds") represents interest that is excludable from gross income for purposes of Federal and Maryland income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax and distribution requirements of certain investment companies and may result in some of the collateral Federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax, additional distribution requirements or other collateral Federal and state income tax consequences although the owner may not have received cash in such year.

Interest in the form of OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for Federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner's cost basis in determining, for Federal income tax purposes, gain or loss upon its disposition (including its sale or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for Federal income tax purposes. The accrual of OID and its effect on the sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for Federal income tax purposes of interest accrued upon sale of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

Bond Premium. In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and the amortization of bond premium on, Premium Bonds.

Effects of Future Enforcement, Regulatory and Legislative Actions

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and various State legislatures. Such legislation may effect changes in federal or State income tax rates and the application of federal or State income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or State income tax purposes.

The U.S. Department of the Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or State tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or State tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or State tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel – State Tax Exemption. In the opinion of Bond Counsel, under existing law of the State of Maryland, the interest payable on the Bonds is exempt from taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

Interest on the Bonds may be subject to state and local taxes in jurisdictions other than the State of Maryland under applicable state or local laws. Prospective purchasers of the Bonds should consult their own tax advisors regarding the taxable status of the Bonds in a particular state or local jurisdiction other than the State of Maryland.

LITIGATION

The County is a party to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not, in the opinion of the County Attorney, likely to have a material adverse impact on the County's financial position.

CONTINUING DISCLOSURE UNDERTAKING

In order to enable participating underwriters (as defined in Rule 15c2-12 of the Securities and Exchange Commission) to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Bonds. The County has not failed to comply with any prior continuing disclosure undertaking made pursuant to Rule 15c2-12.

Pursuant to the Continuing Disclosure Agreement, among other things, the County will agree to provide, directly or through an intermediary, (i) to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, (A) annual financial information and operating data regarding (1) the General Fund Summary of Revenues; (2) Tax Levies and Tax Collections; (3) Assessed Values and Tax Rates; and (4) the General Fund Summary of Revenues, Expenditures, and Transfers; such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2012, and (B) annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2012, unless

the audited financial statements are not available on or before such date, in which event unaudited financial statements will be provided by such date and audited financial statements will be provided promptly when and if available; (ii) in a timely manner, not in excess of ten business days after the occurrence of the event, to the MSRB in an electronic format prescribed by the MSRB, notice of the occurrence with respect to the Bonds of any of the Reportable Events (described below); and (iii) in a timely manner, to the MSRB in an electronic format prescribed by the MSRB, notice of a failure by the County to provide the required annual financial information and operating data within the applicable time periods specified in clauses (i)(A) and (i)(B) above. Reportable Events shall be defined as (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of bond holders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material. The definition of Reportable Events is intended to include all of the fourteen events specified in SEC Rule 15c2-12. It is noted that certain Reportable Events are expected to have no applicability to the Bonds, such as events relating to debt service reserves, credit enhancements and liquidity providers, and property or other collateral.

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

The Continuing Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations thereunder, shall be governed by, subject to, and construed according to applicable Federal securities law and the laws of the State of Maryland. The Continuing Disclosure Agreement shall provide that the County shall be given written notice of any claimed failure by the County to perform its obligations under the Continuing Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any claimed failure by the County must be filed in the Circuit Court for Cecil County, Maryland, and any party maintaining such suit or other proceeding shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Treasurer's Office, Cecil County Government, 200 Chesapeake Boulevard, Elkton, Maryland 21921, (410) 996-5385 or such alternate address as shall be specified by the County in accordance with the Continuing Disclosure Agreement.

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

The foregoing is a summary of certain provisions of the Continuing Disclosure Agreement. It is not a complete recital of the terms of the Continuing Disclosure Agreement, and reference should be made to the Continuing Disclosure Agreement for a complete statement of its terms. A copy of the Continuing Disclosure Agreement may be obtained from the Treasurer of Cecil County, 200 Chesapeake Boulevard, Suite 1100, Elkton, Maryland 21921, (410) 996-5385.

RATINGS

Moody's Investors Service, Inc. and Standard & Poor's Rating Services, have assigned the ratings indicated on the cover page of this Official Statement. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and Standard & Poor's, 55 Water Street, New York, New York 10041. The County furnished the rating agencies information contained in a preliminary form of this Official Statement and other publicly available materials and information respecting the Bonds and the County. Generally, a rating agency bases its ratings on materials and information furnished to it, as well as investigations, studies and assumptions of its own. Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by either or both of the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

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COUNTY GOVERNMENT AND ADMINISTRATION

General

The Board of County Commissioners is comprised of five Commissioners elected for staggered four-year terms. The Commissioners are elected by the voters of the entire County according to commissioner districts. The President and Vice-President of the Board are elected by a majority vote of the elected Commissioners. The Commissioners' office is administered by an Administrator and Clerk appointed by the Board. The financial administration of the County is supervised by the County Treasurer who is elected by the County voters for a four-year term, and a Budget Manager appointed by the Board of County Commissioners.

On December 3, 2012, the Charter of Cecil County, Maryland (the "Charter") will become effective. Under the Charter, all legislative powers which may be exercised by the County are vested in the County Council and all executive powers which may be exercised by the County are vested in the County Executive. On that date, the three County Commissioners who represent Districts 2, 3 and 4 and the two candidates for Districts 1 and 5 elected in November, 2012 will become County Council members. The terms of the Council members representing Districts 2, 3 and 4 will expire in December, 2014 and the terms of the Council members representing Districts 1 and 5 will expire in December, 2016. The first County Executive will be elected in November, 2012, and will serve a four-year term, beginning on December 3, 2012. Supervision of all departments, offices and agencies of the executive branch will be performed by the Director of Administration appointed in accordance with the Charter. The office of County Treasurer will cease to exist on January 1, 2013, and the powers and duties of that office will be performed by the Director of Finance appointed in accordance with the Charter.

County Commissioners

JAMES T. MULLIN, President of the Board, was elected to his first term as Commissioner for the First District in November 2008. He was elected by his fellow Commissioners to serve as President of the Board in December 2010. He represents the County on the Bainbridge Development Corporation Board, Maryland Rural Development Corporation, Wilmington Area Planning Council, Upper Shore Regional Council, and as an alternate member of the Parks and Recreation Board. He holds a professional SRA designation through the Appraisal Institute as a certified residential real property appraiser in the State of Maryland, Delaware and Pennsylvania, and owns and operates his own real estate appraisal firm. Additionally, President Mullin serves as the Executive Director of the Maryland Oystermen Association and the Education Chair of the local Appraisal Institute Chapter.

DIANA BROOMELL, Vice President of the Board, was elected to her first term as Commissioner for the Fourth District, in November 2010, and was elected by her fellow Commissioners to serve as Vice President of the Board in December 2010. She represents the County on the Planning Commission, Lower Susquehanna Heritage Greenway Board, Watershed Implementation Plan Advisory Committee and as an alternate member of the Maryland Association of Counties. She was instrumental in the passage of the elected school board ballot initiative, sponsored four land use forums at Cecil College, and served on the 2010 Comprehensive Plan Review Committee. Additionally, Vice President Broomell was named the 2002 Republican Woman of the Year by the State of Maryland.

TARI MOORE, County Commissioner, was elected to her first term as Commissioner for the Second District in November 2010. She represents the County on the Maryland Association of Counties Board, Local Government Insurance Trust, Commission on Aging, Local Interagency Coordinating Council and Cecil Partnerships for Children, Youth and Families. She is the former Executive Director of the Cecil County Chamber of Commerce and a 2005 graduate of the Cecil Leadership Institute. She also served on the County Economic Development Commission and was an appointee to the Maryland Transportation Authority's Cecil/Harford Bridges Work Group in 2006. Additionally, Commissioner Moore serves on the Board of Directors for Union Hospital and the United Way of Cecil County.

MICHAEL W. DUNN, County Commissioner, was elected to his first term as Commissioner for the Third District in November 2010. He represents the County on the Parks and Recreation Board, Cecil County Firemen's Association and the Mental Health Core Service Agency Advisory Board. He worked as a congressional intern in the US House of Representatives, and served as a legislative aide in the Maryland State Senate and House of Delegates. In 2002, he was elected to the Republican Central Committee for a four-year term. From 2008–2010, he served as a member of the Rising Sun Board of Zoning Appeals. He has an extensive background in history and political science, and is an active community leader on a variety of issues ranging from growth in the county to creating an elected school board.

ROBERT J. HODGE, County Commissioner, was elected to his first term as Commissioner of the Fifth District in November 2008. He represents the County on the Economic Development Commission, Resource Conservation and Development Council, Society for the Prevention of Cruelty to Animals, Upper Shore Aging Housing Corporation, and as the alternate for the Wilmington Area Planning Council. He has served as Chair of the Special Projects Committee for the EDC, Land Use Subcommittee of the BRAC Action Plan, Citizens Advisory Committee, and the Republican Central Committee. He is a member of the Farm Bureau, County Chamber of Commerce, and on the Board of Directors for the Triumph Industrial Park. Commissioner Hodge is a long time resident and business owner in Cecil County.

Treasurer

WILLIAM M. FEEHLEY, CPA, County Treasurer, was first elected in 2010. Mr. Feehley is a graduate of the University of Baltimore with a BS Degree in Business Administration with concentrations in Accounting and Finance. Mr. Feehley became a CPA in 1988 and has spent most of his career in public accounting. Mr. Feehley also holds an insurance license for life and health insurance. For the past 20 years he has owned and operated Accurate Business Services which provides accounting, tax and business consulting to small businesses. Mr. Feehley also serves on the Board of Directors. He is a member of the Maryland Society of Accountants and is its second vice president. He is also the president of the Patriots Glen Homeowners Association. Mr. Feehley is a member of American Institute of Certified Public Accountants, the Maryland Association of Certified Public Accountants, the National Society of Accountants, the Government Finance Officers Association, the Maryland Government Finance Officers Association and various charitable, civic and religious organizations.

Appointed Officials

ALFRED C. WEIN, JR., County Administrator and Clerk, was appointed on December 7, 1998. He was employed by the County as a Planner from 1981-1984. From September 1984-April 1991, he served as Administrator for the Town of Perryville, Maryland. Mr. Wein was employed as Director of Planning and Zoning for Cecil County from 1991 to 1998. He served as Acting County Administrator and Acting Human Resources Director at various times between 1991-1998. In addition to his primary planning duties, Mr. Wein was appointed Director of Parks and Recreation in July of 1996. Mr. Wein graduated from Salisbury State College with a B.A. Degree in Geography/Regional Planning and has 25 years of experience in governmental planning and administration.

CRAIG W. WHITEFORD, Budget Manager, was appointed on December 8, 1998. From January 1995 through December 1998, Mr. Whiteford was employed as Deputy Treasurer for the Cecil County Government. Before joining the Cecil County Government, Mr. Whiteford was a Controller in the printing industry for several years. Mr. Whiteford graduated from Pfeiffer University with a B.S. Degree in Business Administration — Management Concentration. He is a member of the County's Capital Improvement Program committee, the Strategic Fiscal Planning Task Force, the Chairman of the Board of Trustees for the Cecil County Public Safety Pension Plan, and is a member of the County's Health Advisory Committee, Workers Compensation Committee, and the Other Post-Employment Benefits Committee. He is also a member of the Government Finance Officers Association, Maryland Government Finance Officers Association and MACo.

H. NORMAN WILSON, JR., County Attorney, was appointed County Attorney on October 16, 2007. Mr. Wilson graduated from the University of Maryland and was admitted to the Maryland Bar Association in June 1968, to the United States District Court for Maryland in September 1970, and the United States Court of Appeals for the Fourth Circuit in June 1985. He was a member of the Board of Directors for Bay First Bank, and served as Chairman of the Board. He is a long standing member of the Board of Directors for Union Hospital having served as Chairman of the Board for several years and Vice-Chairman of the Board of Affinity Health Alliance. Mr. Wilson has previously served as General Counsel to a previous Board of Cecil County Commissioners and the Town of Elkton. He has represented the Cecil County Treasurer's Office and the Board of License Commissioners.

W. SCOTT FLANIGAN, P.E., was appointed the Director of Public Works effective October 3, 2005. He received a B.S. in Civil Engineering from Clarkson University in Potsdam, NY in May 1984 and a M.S. in Civil Engineering from The University of Texas at Austin in December 1993. He is a licensed professional engineer in the Commonwealth of Virginia. Prior to starting work as the Cecil County Director of Public Works, he served on active duty in the US Army for over 21 years, retiring in the rank of lieutenant colonel.

ERIC S. SENNSTROM, Director of Planning & Zoning, was appointed in December 1998. An employee of the Planning Office since April 1990, he has been a planner I, zoning administrator, and principal planner. Mr. Sennstrom has also served as the County's Purchasing Agent. He is a graduate of the University of Tennessee with a Bachelor's Degree in Geography.

LISA L. WEBB, CEcD, Director of Economic Development, was appointed on February 13, 2012. Previously she served as Business Development Director for Anne Arundel Economic Development Corporation from 2007 – 2011, and Project & Policy Development Manager for Harford County Office of Economic Development from 2001 – 2007. She earned her designation of Certified Economic Developer (CEcD) in May of 2007, holds a Master of Business Administration from the University of Phoenix, and is a graduate of the Oklahoma University Economic Development Institute. She is an active board member of the Army Alliance, several economic development organizations including the International Economic Development Council (IEDC) and has served on the board of directors for the Maryland Economic Development Association (MEDA) and Habitat for Humanity.

Retirement and Pension Programs

Prior to January 1, 1980, all County employees were required to be members of the Employees' Retirement System of the State of Maryland (the "Retirement System"). During the 1979 legislative session, the Maryland General Assembly created, effective January 1, 1980, the Pension System for Employees of the State of Maryland (the "Pension System"). All County employees who were members of the Retirement System could remain in that system or elect to join the Pension System. All employees hired after December 31, 1979 must join the Pension System which is a non-contributory plan. In 1998, the State initiated an enhanced Contributory Pension System and in 1999, the County elected to participate in the new system. Effective July 1, 2006, the Alternate Contributory Pension Selection (ACPS) was adopted for Participating Governmental Units (PGU) employees with a contribution of 3% for July 1, 2006; 4% for July 1, 2007 and 5% for July 1, 2008.

Members of the Pension System are eligible to retire after 30 years of service regardless of age, at age 65 or older with two years of service, at age 64 with three years of service, at age 63 with four years of service, or at age 62 with at least five years of service. Benefits payable under the Pension System are less than those payable under the Retirement System inasmuch as Pension System benefits take into account a member's Social Security benefits and the cost-of-living adjustment is limited to an annual increase of 3%. The benefit payable to a member of the Contributory Pension System who retires after 30 years of service or reaching age 62 will be computed as 1.2% times average final compensation times years of credit prior to June 30 1998, and 1.8% of average final compensation times years of credit after June 30, 1998. Under the Retirement System, the computation is based on 1.8% of average final salary for each year of creditable service

Both the Retirement System and the Contributory Pension System require contributions from both employer and employee. Under Selection A of the Retirement System, an employee contributes 7% of his total gross salary, while under Selection B of the Retirement System, an employee contributes 5% of his total gross salary. With the Pension System an employee contributes 5% of his gross salary. The benefits payable under each system which are not funded by employee contributions are funded by the County. Effective July 1, 2010 the County's contribution rate (expressed as a percentage of payroll) for the Retirement System was 11.69% and 10.83% for the Pension System.

All benefits of the Retirement and Pension Systems are required by law to be funded on a full actuarial reserve basis in accordance with the accrued benefit actuarial cost method.

In 2002, County established a new pension plan for Cecil County Public Safety Employees entitled the "Cecil County Pension Plan for Public Safety Employees" ("CCPSPP" or the "Plan"), effective July 1, 2002. Employees eligible to participate in the CCPSPP are employees paid by the County as full-time public safety employees in accordance with the County's Public Safety Pay Plan, which includes employees working for the Cecil County Sheriff (Law Enforcement and Detention), and employees of Department of Emergency Services. Employees were given the opportunity to elect to transfer their contributions from the State Retirement System to the Plan. All employees hired after June 30, 2002, in the respective departments, will automatically be enrolled in the Plan. Highlights of the Plan include retirement with 25 years of eligibility service at age 55, with early retirement prior to age 55 and reduced payout with 25 years of service. Employees contribute 8% of gross pay towards the cost of the Plan, and the County contributes 18.7% of gross pay to the cost of the Plan. For fiscal year 2011, the estimated County liability associated with the Plan is \$2,019,471

The following table sets forth the County’s contributions for the Retirement System, the Pension System and the CCPSPP for the five most recent fiscal years ended June 30:

<u>Fiscal Year</u>	<u>Retirement System</u>	<u>Pension System</u>	<u>Public Safety Pension</u>
2011.....	\$-	\$1,661,080	\$2,019,471
2010.....	19,570	1,192,839	1,798,040
2009.....	41,954	1,083,153	1,753,647
2008.....	44,111	1,141,636	1,410,479
2007.....	41,668	957,192	1,274,061

The amount by which the actuarially computed GASB 27 pension benefit obligation exceeded the total actuarial value of assets of the Public Safety Pension Fund was \$12,698,337 as of July 1, 2011. The GASB 27 funded ratio was 66.31% as of July 1, 2011, compared to 62.16% as of July 1, 2009. The County is amortizing the above liability over a 30 year period.

As a supplement to the Retirement System and the Pension System, the County offers a Deferred Compensation Plan to full-time, permanent County employees who have completed their probationary period. The plan is contributory on the part of the employee. As of June 30, 2011 there were 237 active participants in the Deferred Compensation Plan. In fiscal year 2009, the County elected to make matching contributions for all eligible participants for a maximum amount of \$375 per participant.

All employees of the County, including general, elected and appointed, participate in the Federal Insurance Compensation Act (“FICA”).

Other Post –Employment Benefits

The County and the Board of Education of Cecil County provide their employees with other post-employment benefits (“OPEB”). The County and the Board of Education of Cecil County have historically funded these programs on a pay-go basis, but were required to account for OPEB on an actuarial basis beginning in fiscal year 2009. The Maryland General Assembly passed legislation to authorize the County and other local governments to invest OPEB trust funds in the same manner as pension trust funds. The County created its OPEB trust in August 2008 and prefunded the trust fund with an initial deposit of \$1,003,488. The County’s actuary determined, as of June 30, 2009, (the most recent available), that the County’s OPEB actuarial accrued liability related to active and retired County employees was \$9,286,000. The County’s Annual Required Contribution (ARC) for fiscal year 2011 was \$896,000 and was \$668,000 for fiscal year 2010. The County met its ARC in both fiscal years 2010 and 2011. These figures are based on an 7.5% discount rate and assume annual funding of the ARC. The Board of Education of Cecil County’s actuary has determined, as of July 1, 2010 that the Board of Education’s OPEB actuarial accrued liability related to active and retired Board of Education employees is \$41.7 million. The Board of Education is participating in a group trust with several other public school systems to account for its OPEB liabilities.

Labor Relations

As of July 1, 2011, the County employed 586 full-time permanent (classified and non-classified), 33 part-time and 117 contract, temporary or on-call employees. The County has entered into collective bargaining discussions with the IAFF (International Association of Fire Fighters) for Paramedics and FOP (Fraternal Order of Police for Law Enforcement Deputies) on contracts that would take effect on July 1, 2012. While some members of the County workforce are members of the Maryland Classified Employees Association, their membership is not mandatory and such membership would not bind the County to any collective bargaining agreement. In addition, the County has not experienced a work stoppage due to labor problems and considers its relationships with employees to be satisfactory.

Leases and Other Contracts

The County leases office facilities including a public safety facility under noncancelable operating leases. As of June 30, 2011 the annual cost of these leases is \$419,884. The County has entered into an equipment lease for certain furniture, fixtures and equipment for the County Administration Building. The annual cost of this lease is \$645,018.

BUDGET AND ACCOUNTING

The formulation of the County’s budget is the responsibility of the Board of Estimates. This Board is comprised of the Board of County Commissioners.

The County Budget is comprised of the Current Expense Budget and the Capital Budget. The approved budget consists of the following funds: General, Housing, Senior Services & Community Transit, Emergency Shelter, Weatherization, Task Force, Open Space, Agricultural Land Preservation, Revolving Loan, Debt Service, General Capital Projects, Cecil College Construction, Board of Education Construction, Library Construction, Landfill Services, Wastewater Services, Health Insurance, and the Central Garage.

Current Expense Budget

The Current Expense Budget is prepared and submitted for approval to the Board of Estimates based upon estimated revenues and expenditures of operations for the ensuing fiscal year submitted by the head of each office, Court, department, institution, board, commission, corporation, or other agency of the County government. The proposed Current Expense Budget is required to contain not less than the following information: (1) a statement of all revenue estimated to be received by the County during the ensuing fiscal year, classified to show the receipts by funds and sources of income; (2) a statement of all expenditures estimated to be paid by the County during the ensuing fiscal year; (3) a statement of the debt service requirement for the ensuing fiscal year; and (4) any other material which the Board of Estimates may deem advisable.

Capital Budget

The Capital Budget of the County is its plan to receive and expend funds for capital projects during the ensuing fiscal year. The proposed Capital Budget is arranged so as to set forth clearly the plan of proposed capital projects to be undertaken in the ensuing fiscal year, and also the proposed means of financing them. The Capital Budget must include a statement of the receipts anticipated during the ensuing fiscal year from all borrowing and from other sources for capital projects. The County annually updates its six-year capital improvement plan.

Basis of Accounting

The County's Governmental and Fiduciary Fund types utilize the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual, that is, when they are both measurable and available to finance expenditures of the fiscal period. Revenues considered susceptible to accrual include property taxes, income taxes, interest and rent, grants and certain miscellaneous revenues.

Expenditures are recognized in the accounting period in which fund liabilities are incurred, if measurable, with the exception of expenditures for debt service and prepaid expenses.

The Proprietary Fund and Internal Service Fund utilize the accrual basis of accounting in which revenues are recognized when they are earned and expenses are recognized when they are incurred.

Certificate of Achievement

The County's Comprehensive Annual Financial Reports for fiscal years 1986 through 2010 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada ("GFOA"). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report ("CAFR"), the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County believes its CAFR continues to conform to the Certificate of Achievement program requirements and has submitted its CAFR for fiscal year 2011 to the GFOA.

COUNTY SERVICES

Public Education

The Board of Education of Cecil County is made up of one voting member elected from each of the five commissioner districts for a four year term. The Board of Education is responsible for the overall operation and all policy decisions related to the public school system. The student enrollment (Full-Time Equivalent) was 15,937 for the year 2010-2011. In June 2011, the school systems graduated 1,122 students. A projected 15,620 students in grades Pre-K-12 will attend the County's 29 public elementary and secondary schools in 2011-2012.

With a total budget of over \$193 million in 2011-2012, per pupil expenditures will be approximately \$12,356. The County's fiscal year 2012 appropriation to the Board's operating budget is \$67,156,014. Programs available in the County public schools include complete academic preparation, vocational training, business education, instruction for gifted/talented students, special education, basic skills instruction and a wide range of extracurricular and athletic activities.

Emergency Services

The Sheriff's Office serves as the primary police force in the County. With 83 sworn positions, the Sheriff's Department has the resources to provide the County with 24-hour service. There are five municipal police departments, which have a total of 54 sworn officers, serving the following incorporated municipalities: Elkton, North East, Perryville, Port Deposit and Rising Sun. Cecilton, Chesapeake City and Charlestown receive police protection through contracted services with the Sheriff's Office.

The Detention Center, which opened in 1983, housed the first Community Adult Rehabilitation Center in Maryland. Home detention and pre-trial programs were started in 1992.

The entire Sheriff's Office budget excluding the Community Adult Rehabilitation Center is \$18,590,543 for fiscal year 2012.

There are nine volunteer fire departments with approximately 1,100 members operating 118 pieces of equipment.

The County supplements the volunteer Emergency Medical Services ("EMS") system with full-time and part-time medics and paramedics. These units are located throughout the County at several locations with varied hours of service.

The County's EMS office provides administrative support and conducts the necessary training programs for career and volunteer EMS personnel. The medical quality assurance program is conducted by the EMS office with a medical director from the emergency department at Union Hospital of Cecil County.

County Emergency Services are coordinated and dispatched through the Department of Emergency Services ("DES"). They handle communications for all Cecil County agencies and the volunteer fire companies. With a completely enhanced 911 system in service, the citizens of Cecil County are better served in times of emergencies. Radio technicians install and maintain all radio and electronic service equipment.

The Department of Emergency Services prepares and coordinates plans for emergencies and disasters affecting the County and coordinates and directs the Emergency Operations Center during times of disaster or County emergencies. The Emergency Information System computer is utilized to store information on all hazardous material sites and to maintain resource lists for easy access. A computerized weather station installed in the courthouse is used daily by several County agencies. Information from this system can also be used in conjunction with the County's "HurriVac" computer program to track severe weather. This program is specially designed to track hurricanes.

Community College

Cecil College, governed by a Board of Trustees appointed by the Governor, is a comprehensive two-year college committed to offering programs of study with a focus on the arts and sciences, careers and applied arts, logistics and continuing education. The College's operating revenue for fiscal year 2011 of \$29,932,595 was generated from the following sources: student tuition and fees 17.5%; State 16.3%; County 26.8%; and Other 39.4% (Other includes grants, contracts, auxiliary enterprises, and capital).

The total operating budget for fiscal year 2012 is \$21,266,915.

Library

The Cecil County Public Library (“CCPL”) consists of a headquarters library in Elkton and six branches located in Cecilton, Chesapeake City, North East, Perryville, Port Deposit and Rising Sun. The administrative offices are located in the Elkton Central Library. The total materials collection is approximately 305,000 items, including adult, young adult, and children’s books, audio-books, electronic books, videos and DVDs, CDs and other items. With an operating budget for fiscal year 2012 of approximately \$5.6 million, the library employs 58 full-time and 37 part-time staff. The library is operated under the direction of a seven-member Board of Library Trustees appointed by the Board of County Commissioners.

Health

The County provides various health services to its citizens through the Department of Health. The Department, individually or in conjunction with the Maryland Department of Health and Mental Hygiene, is responsible for the enforcement of all State and local health and sanitation laws. The Department of Health also provides services in the areas of nutrition, nursing, maternal and childcare, mental retardation, geriatrics, mental health, and addictions. Pursuant to matching grants, the State reimburses a portion of the operating expenditures of the Department. The County’s contribution to the fiscal year 2012 operating budget is \$2,433,720.

Planning and Zoning

Planning and zoning functions are accomplished through a diversified system of commissions, boards and staff organizations.

The Office of Planning and Zoning performs planning, zoning and land use management functions. The Director of the department serves as the principal advisor to the Planning Commission, Board of Appeals and the Board of County Commissioners in matters relating to planning policy. The Director has the ultimate responsibility for implementation of the County Comprehensive Plan, Zoning Ordinance, Subdivision Regulations, Critical Area Program, Forest Conservation Program and provision of immediate and long range plans with regard to County development, and oversees a staff of eleven professionals.

The Cecil County Planning Commission consists of six regular members and an alternate member with staggered three-year terms appointed by the Board of County Commissioners. The Planning Commission has the following powers and duties:

- Review, evaluate and approve or disapprove plans for subdivisions in accordance with the Cecil County Zoning Ordinance, Subdivision Regulations, Critical Area Program, and Comprehensive Plan.
- Review and make recommendations to the Board of County Commissioners regarding:
 - Proposed changes or amendments to the County Comprehensive Plan.
 - Proposed amendments to the County Zoning Ordinance, Subdivision Regulations, and Critical Area Program.
 - Proposed acquisition and development of lands for open space or recreation purposes.
 - Proposed designation of historic sites or districts.
 - Proposed changes or amendments to the County Road Code.
 - Proposed changes or amendments to the County Master Sewer and Water Plan.
 - Proposed changes in land use or development arising from State or Federal programs or policies.
 - Proposed special exceptions to the Zoning Ordinance.
 - Proposed annexations.
 - Proposed amendments to the Cecil County Forest Conservation Regulations.
 - Annual review of the Capital Improvement Program.

The Board of Appeals consists of five regular members and one alternate member appointed by the Board of County Commissioners to three-year terms. The Board of Appeals has the following powers and duties:

- To hear and decide appeals where it is alleged that there is an error in any order, requirement, decision, or determination made by the Zoning Administrator or any other administrative official in the enforcement of the Zoning Ordinance, or by the Planning Commission regarding a subdivision plat.
- To hear and decide special exceptions.
- To authorize upon appeal a variance from the provisions of the Zoning Ordinance.

The County's updated Comprehensive Plan was approved by the Board of County Commissioners on April 13, 2010 and became effective on that date. Over the 20-year planning horizon, to which this plan is directed, the County is forecasted to grow from 101,108 residents in 2010 to approximately 155,000 in 2030. The thrust of the plan was to direct development in the designated growth areas. Development in the growth area is currently limited by insufficient water supply and sewage infrastructure. Until the water supply is available and sewage collection and treatment facilities are constructed, growth in the County will continue to occur at low densities in the Rural Conservation and Resource Protection Districts. The Cecil County Board of County Commissioners adopted a comprehensive rezoning and revised zoning ordinance on April 19, 2011 that substantially implemented the Comprehensive Plan.

Parks and Recreation

The Cecil County Board of Parks and Recreation is made up of six volunteer members from the community appointed by the Board of County Commissioners. Additionally, one board member is appointed by the Board of Education, and one county commissioner serves as an ex-officio member. Its responsibilities include supervision of County funds spent for public recreation. Maryland's Program Open Space, a source of funding for acquisition of park land and development of recreation facilities both in the municipalities and for County projects, is supervised by this board. County parks currently include the Cecil Community Center Park, The Cecil Arena, Johnies Ballfield, Elk Mills Park, Cecil Sports Complex, Conowingo Park, Chesland, Harbor View, the Fredericktown Boat Launching Ramp, the Stemmers Run Boat Launching Ramp, the Holly Tree Park, the Octoraro Trail, the soon to be completed Elk River Landing Park and the Fletchwood Community Park. The board, in cooperation with other organizations and departments, operates a comprehensive County-wide program of recreational and cultural activities for all ages. Day-to-day operations are coordinated by a director, a manager and staff. Future programs call for the development of a Regional Community Park, a comprehensive County trail system on the eastern side of the Susquehanna River and for providing a number of communities with assistance in developing their recreation areas.

Cecil County Sanitary District

The County is empowered to operate and construct water, sewerage and drainage facilities within the Cecil County Sanitary District and to issue its general obligation bonds to finance such construction under the authority of State law, codified as Chapter 67 of the County Code. Upon its creation, the Cecil County Sanitary District assumed all duties, contracts, debts, assets, and real and personal property of the Cecil County Metropolitan Commission. The Cecil County Sanitary District comprises the entire County except the incorporated municipalities within the County.

Five of the eight incorporated municipalities in the County (Elkton, Rising Sun, Perryville, Chesapeake City, and Cecilton) have their own water and sewer systems. In the Town of North East, the County owns and operates the sewer system and the Town operates the water supply system. In Port Deposit, the water system is owned and operated by Artesian Water Maryland, Inc., a private regulated utility, while the County owns and operates the sewer system. In the Town of Charlestown, the Town owns and operates the water system and the Town owns the sewer collection system, but the County operates that sewer collection system on behalf of the Town under the terms of an agreement between the Town and County.

The Cecil County Department of Public Works was created by an act of the General Assembly in 1972. Under this act, the Director of Public Works is charged with the responsibility of supervising all matters concerned or connected with any and every public improvement in the County. The Cecil County Director of Public Works also serves as the chief administrative officer of the Cecil County Sanitary District under the title of Director of Sanitary Facilities.

The Cecil County Sanitary District currently owns and operates five separate sewer systems. The largest system serves the North East River area, which includes the municipalities of North East and Charlestown. The North East sewer system consists of a 2.0 million gallons per day (“MGD”) biological nutrient removal wastewater treatment facility, and the associated sewer collection system includes 14 pumping stations and serves a population of approximately 7,500 residents.

The second largest sewer system is the Meadowview sewer system. This system consists of a 1.0 MGD wastewater treatment plant and a two-well water system capable of producing .185 MGD and a storage capacity of .80 MG. The associated sewer collection system serves a population of approximately 5,000 residents and five industrial plants.

The Cherry Hill sewer system is comprised of a .250 MGD wastewater treatment facility an associated sewer collection system and two pumping stations. The system presently serves approximately 200 homes, two schools, and one industrial plant.

The Highlands sewer system is just west of the Maryland-Delaware line and serves a 125-home subdivision known as the Highlands. The system consists of a .050 MGD wastewater treatment plant and associated sewer collection systems with one pump station.

The fifth and final sewer system owned and operated by the County is the Harbor View sewer system. It currently serves approximately 110 homes and consists of a .065 MGD wastewater treatment plant and associated sewer collection systems. The sewer system has the capacity to ultimately serve the entire subdivision of 230 lots.

The location and design of the County’s sewer systems are regulated and guided by its Master Water and Sewer Plan which is prepared in cooperation with various State agencies.

The County adopted its utility rate structure for sewer service effective January 1, 2010. The County’s sewer user rates and connection fees are uniform across all County sewer systems and are shown in the table below. The effective date for the current sewer user rates was July 1, 2011 while effective date for the current sewer connection fees was January 12, 2012. Following is a summary of the current rate structure:

	<u>Sewer</u>
User rate — system wide	\$8.44/1,000 gals.
Connection fee	
New homes.....	\$6,500
Existing homes.....	2,500
Commercial/Industrial	\$2,500/Eq. Living Unit

Chapter 67 of the County Code also provides that at no time shall the total amount of bonds outstanding for water and sewerage purposes exceed 15% of the total value of property assessed for County taxation purposes. On July 1, 2011 the total assessed valuation of property within the County was \$10,018,045,703 and the County had \$26,930,189 of water and sewer bonds outstanding.

Sale of Water Assets

On December 21, 2011, the County completed the sale of its water assets to Artesian Water Maryland, Inc., a private regulated utility, thus privatizing water service in certain unincorporated areas of the County. The water assets sold consisted of the Meadowview, Pine Hills, Harbor View, and Route 7 water systems.

At one time the Board of County Commissioners also intended to sell the County’s Highlands, Meadowview, Cherry Hill, and Harbor View sewer systems to Artesian Wastewater Maryland, Inc. but that sale was cancelled by mutual agreement of the parties in October 2011. As part of the agreement to terminate the sale, Artesian Wastewater Maryland, Inc. also relinquished the sewer franchise for the Elkton West Service Area, although Artesian Water Maryland, Inc. retains the water franchise for that area.

The County is currently developing alternative plans for serving the Elkton West area with sewer.

COUNTY REVENUES

General

The County's principal source of revenue is taxes. For fiscal year 2011, 62.5% of the County's operating revenues were derived from ad valorem property taxes and 28.7% from income taxes. The next largest sources of revenue are charges for services and intergovernmental revenues (revenues received from the State and Federal governments).

The following table shows the various sources of revenue for the five most recent fiscal years ended June 30:

General Fund Summary of Revenues

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Taxes — local property	\$101,811,471	\$101,345,357	\$96,173,901	\$86,506,000	\$78,510,957
local other.....	46,835,947	46,816,208	48,851,186	50,192,279	46,864,546
Licenses and permits.....	1,427,706	1,304,334	1,294,929	1,531,579	1,658,794
Intergovernmental revenue	5,593,254	4,151,592	9,166,694	10,988,110	11,467,703
Charges for services.....	6,554,696	6,607,135	2,489,266	2,424,434	3,120,102
Investment Earnings	479,947	868,961	1,879,161	3,518,812	4,895,423
Other	48,433	88,331	75,194	14,584	1,912,583
Total revenues.....	<u>\$162,751,454</u>	<u>\$161,181,918</u>	<u>\$159,930,331</u>	<u>\$155,175,798</u>	<u>\$148,430,108</u>

Source: Cecil County audited financial statements for fiscal years 2007-2011

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Property Taxes and Assessments

The assessment of all real and tangible personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation, an independent State agency.

For State and County real property tax purposes, real property is valued at market value (full cash value). All property is physically inspected once every three years and any increase in value arising from such inspection is phased in over the ensuing three taxable years in equal annual installments, although a decline in valuation becomes fully effective in the first year.

Non-computer tangible personal property is assessed at cost less depreciation for each year held to a minimum of 25% of cost with no inflation allowance, and is determined from annual reports filed with the State Department of Assessments and Taxation. Computer equipment is depreciated under the accelerated depreciation method.

Property Tax Credit Programs

Section 9-105 of the Tax-Property Article of the Annotated Code of Maryland provides for a homestead property tax credit against real property taxes imposed by local subdivisions on certain owner-occupied residential real property. In Cecil County, the tax credit is computed by multiplying the prior year's taxable assessment by 108%, subtracting that amount from the current year's assessment, and multiplying the difference, if it is positive, by the applicable tax rate. The purpose of this tax credit is to provide tax relief to those homeowners whose property tax assessments increase by more than 8%.

Assessed Values and Tax Rates

The following table sets forth the assessed value of all taxable property in the County for each of its five most recent fiscal years and the County tax rates applicable in each of those years. The assessed value of tax-exempt properties owned by Federal, State and County governments, churches, schools, fraternal organizations, cemeteries, disabled veterans and the blind is not included in the table. Under applicable law, there are no limits on the rates of property taxes that may be levied.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed Value:					
Real Property	\$10,696,951,075	\$10,767,899,614	\$10,012,339,775	\$9,136,054,724	\$8,133,118,200
Real Property — Subject to					
Half Year Levy	34,277,000	15,506,000	22,497,000	56,332,000	34,354,000
Railroad Property	4,721,000	4,544,000	4,124,000	3,704,000	3,454,000
Public Utilities	129,707,850	133,390,680	133,234,270	133,224,330	138,899,260
Other Business Property	<u>165,677,050</u>	<u>183,492,540</u>	<u>180,868,020</u>	<u>168,821,610</u>	<u>189,847,330</u>
Total Assessable Base	\$11,031,333,975	\$11,104,832,834	\$10,353,063,065	\$9,498,136,664	\$8,499,672,790
Less:					
Abatements and Deletions	<u>-1,013,288,272</u>	<u>-677,356,425</u>	<u>-1,066,412,895</u>	<u>-1,169,189,852</u>	<u>-901,625,706</u>
Total	<u>\$10,018,045,703</u>	<u>\$10,427,476,409</u>	<u>\$9,286,650,170</u>	<u>\$8,328,946,812</u>	<u>\$7,598,047,084</u>
County Tax Rate	\$0.9153	\$0.9400	\$0.9600	\$0.9800	\$0.9600

Source: State Department of Assessments and Taxation, Cecil County Treasurer's Office and the Cecil County Department of Budget

The County's estimated assessed value that was incorporated in the preparation of the fiscal year 2012 budget is \$10,098,735,608 with a real property tax rate of 0.9401.

Tax Levies and Collections

County taxes are due and payable as of July 1 of each fiscal year and the County records property tax revenues as the taxes are billed. Taxes remaining unpaid at October 1 are delinquent and interest (at the rate of 1% per month) is charged for each month or fraction thereof that taxes remain unpaid. On March 1, a 3% penalty is added to the outstanding balance of all unpaid property taxes for that levy year. Delinquent taxes are satisfied, after prior notice of delinquency, at a tax sale conducted by the County Treasurer in June of the year of delinquency.

Under current law, residents of owner-occupied residential real estate pay real property taxes semiannually on September 30 and December 31, without interest. The first installment is due July 1 and is in arrears on October 1. The second installment is due December 1 and is in arrears on January 1.

The following table sets forth certain information with respect to the County's tax levies and tax collections for each of five most recent fiscal years ended June 30:

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Amount Collected for Fiscal Year</u>	<u>Pct. of Levv</u>	<u>Collection in Subsequent Year</u>	<u>Total Collections to Date</u>	<u>Pct. of Levv</u>
2011.....	\$97,464,433	\$97,214,771	99.7%	\$ -	\$97,214,771	99.7%
2010.....	95,516,854	94,315,657	98.7	234,109	94,549,766	99.0
2009.....	93,799,686	93,433,467	99.6	348,902	93,782,369	100.0
2008.....	84,487,760	84,094,382	99.5	393,378	84,487,760	100.0
2007.....	76,292,949	75,856,903	99.4	429,290	76,286,193	100.0

Source: Cecil County Treasurer's Office.

County's Largest Taxpayers

The following table sets forth a list of the County's 10 largest taxpayers of ad valorem property taxes for fiscal year 2010.

Cecil County's 10 Largest Taxpayers (Real and Personal Property Assessment) June 30, 2011

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed</u>
W.L.Gore & Associates. Inc.....	Manufacturing	\$144,460,819	1.44%
Ikea Property, Inc.	Property Mgmt	82,474,032	0.82
Delmarva Power & Light Company	Utility	44,112,140	0.44
Teachers Belvidere Properties, LLC.....	Property Mgmt	31,000,000	0.31
Pine Valley, LLC.....	Property Mgmt	26,961,100	0.27
Chesapeake Ridge, LLC.....	Property Mgmt	26,696,966	0.27
Mason Dixon Sand & Gravel Co.....	Manufacturing	26,054,198	0.26
Verizon-Maryland	Utility	25,926,020	0.26
Trade Center 95 Industrial LLC	Distribution	25,813,332	0.26
Cecil 316, LLC	Distribution	<u>24,700,000</u>	<u>0.25</u>
Total		<u>\$458,198,607</u>	<u>4.57%</u>

Source: Cecil County Treasurer's Office.

Income Tax

The State imposes an income tax based on the adjusted income of individuals for Federal income tax purposes, subject to certain adjustments. The rate of tax is 2% on the first \$1,000 of taxable income, 3% on the second \$1,000, 4% on the third \$1,000, and 4.75% on all income in excess of \$3,000. The rate of local income taxation is set by the County but collections are administered by the State. The County must levy a local income tax at a rate equal to at least 1.00%, but not in excess of 3.20%. For calendar year 2011 the County set the local income tax rate at 2.80%. A distribution to the County of local income tax collections is made by the State in ten periodic payments. State law does not permit the County to levy a local income tax on corporations.

State and Federal Assistance

During fiscal year 2011, the County received State and Federal grant assistance for General Fund operating purposes in the amount of \$5,593,254 which includes \$238,945 of state shared revenue as well as \$339,064 for State Aid for Police Protection and \$205,712 for Fire, Ambulance and Rescue. The County also received \$2,956,427 of local impact grant revenue from the State of Maryland and \$7,234,335 of Capital projects grants.

SUMMARY OF REVENUES AND EXPENDITURES

The following table indicates the General Fund revenues and expenditures for the five most recent fiscal years ended June 30:

General Fund Summary of Revenues, Expenditures and Transfers(1)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Taxes — Local Property	\$101,811,471	\$101,345,357	\$96,173,901	\$86,506,000	\$78,510,957
Taxes — Local Other	46,835,947	46,816,208	48,851,186	50,192,279	46,864,546
Licenses and Permits	1,427,706	1,304,334	1,294,929	1,531,579	1,658,794
Intergovernmental Revenue	5,593,254	4,151,592	9,166,694	10,988,110	11,467,703
Charges for Services	6,554,696	6,607,135	2,489,266	2,424,434	3,120,102
Investment Earnings.....	479,947	868,961	1,879,161	3,518,812	4,895,423
Other	48,433	88,331	1,850,768	144,155	2,007,628
Total Revenues.....	<u>\$162,751,454</u>	<u>\$161,181,918</u>	<u>\$161,705,905</u>	<u>\$155,305,369</u>	<u>\$148,525,153</u>
Expenditures					
General Government	\$12,158,101	\$11,767,891	\$11,643,833	\$10,819,769	\$9,750,668
Public Safety	31,507,369	31,690,342	30,217,859	28,681,575	26,275,432
Public Works Engineering & Admin	9,438,103	2,434,872	2,887,696	2,813,771	2,247,359
Health and Welfare	5,130,699	5,184,783	5,079,727	4,580,698	4,185,312
Education	76,475,835	76,577,821	78,055,262	72,085,349	73,076,278
Recreation and Culture	817,817	849,251	819,136	675,409	447,998
Libraries	4,462,309	4,438,926	4,425,607	3,982,188	3,449,390
Other	2,359,988	2,424,439	2,569,247	2,403,362	2,279,387
Total Expenditures	142,350,221	135,368,325	135,698,367	126,042,121	121,711,824
Transfers Out	19,279,799	27,613,044	28,360,406	26,342,555	31,232,300
Total	<u>\$161,630,020</u>	<u>\$162,981,369</u>	<u>\$164,058,773</u>	<u>\$152,384,676</u>	<u>\$152,944,124</u>

(1) Actual revenues do not reflect fund balance designated to fund current year appropriations.
Source: Audited financial statements for fiscal years 2007-2011

2012 BUDGET

The fiscal year 2011 audited financial statements show a General Fund fund balance of \$36,353,528 with an unreserved, undesignated fund balance of \$14,684,128.

The following table shows the County’s actual revenues and expenditures for fiscal year 2011 compared to the fiscal year 2011 budget and the actual results for fiscal year 2010.

**General Fund
Budget Comparison**

	<u>Actual 2011</u>	<u>Final Budget 2011</u>	<u>Actual 2010</u>
Revenues			
Taxes — Local Property	\$101,811,471	\$101,707,202	\$101,345,357
Taxes — Local Other	46,835,947	46,665,160	46,816,208
Licenses and Permits	1,427,706	1,371,020	1,304,334
Intergovernmental Revenue	5,593,254	7,213,028	4,151,592
Charges for Services	6,554,696	6,340,654	6,607,135
Investment Earnings	479,947	750,000	868,961
Other	48,433	-	88,331
Total Revenues	<u>162,751,454</u>	<u>164,047,064</u>	<u>161,181,918</u>
Transfers In	<u>175,529</u>	-	<u>70,529</u>
Total	<u>\$162,926,983</u>	<u>\$164,047,064</u>	<u>\$161,252,447</u>
Expenditures			
General Government	\$12,158,101	\$13,303,603	\$11,767,891
Public Safety	31,507,369	33,563,643	31,690,342
Public Works	9,438,103	10,318,870	2,434,872
Health and Welfare	5,130,699	5,739,948	5,184,783
Education	76,475,835	76,518,233	76,577,821
Recreation and Culture	817,817	958,837	849,251
Libraries	4,462,309	4,462,309	4,438,926
Other	<u>2,359,988</u>	<u>2,512,504</u>	<u>2,424,439</u>
Total Expenditures	<u>142,350,221</u>	<u>147,377,947</u>	<u>135,368,325</u>
Transfers Out	<u>19,279,799</u>	<u>20,384,552</u>	<u>27,613,044</u>
Total	<u>\$161,630,020</u>	<u>\$167,762,499</u>	<u>\$162,981,369</u>

Source: Cecil County Treasurer’s Office.

CERTAIN DEBT INFORMATION

General

The County will utilize authority contained in Chapter 266 of the Laws of Maryland of 2009, Chapter 101 of the Laws of Maryland of 2010 and Sections 67-22 through 67-31, inclusive, of the Code of Cecil County (1989 Edition), as amended, to issue \$14,750,000 aggregate principal amount of the Bonds in order to finance projects described on page 2 of this Official Statement under “APPLICATION OF PROCEEDS.” Following the issuance of the Bonds, the County will have existing but unissued authority, pursuant to State legislation in the aggregate amount of \$16,464,834, to issue its general obligation bonds for certain capital improvement projects specified in such legislation.

Legal Debt Limitations

Currently, the County may only issue general obligation and revenue bonds under authority conferred by the Maryland General Assembly. No referendum is required. There is a general limitation for short-term borrowing in any fiscal year; the County is authorized to borrow up to \$2,500,000 on a temporary basis provided that all such borrowings must be repaid and all demands fully satisfied on or before June 30 of the fiscal year in which the money is borrowed. Currently, the County has no outstanding short-term debt.

The County is authorized by State law to issue its general obligation bonds for water and sewer purposes in an amount not to exceed 15% of the total assessed valuation of property assessed within the County for County taxation purposes (See

“COUNTY SERVICES — Cecil County Sanitary District”). The County is also authorized by State law to issue its general obligation bonds in any principal amount for refuse and garbage disposal facilities.

On and after the effective date of the Charter, the County may authorize the issuance of general obligation bonds and revenue bonds by the adoption of a local law in accordance with the Charter. Except as otherwise provided by State law, the aggregate amount of general obligation bonds outstanding at any one time shall not exceed a total of 6% of the assessable basis of real property in the County and 15% of the County’s assessable basis of personal property and operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland, except that the following shall not be included in the foregoing: (1) tax anticipation notes or other evidences of indebtedness having a maturity not in excess of 12 months; (2) bonds or other evidences of indebtedness issued or guaranteed by the County payable primarily or exclusively from taxes levied in or on, or other revenues of, special taxing areas or districts hereto fore or hereafter established by law; or (3) bonds or other evidences of indebtedness issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges from special benefits or services.

The County is authorized by State law to issue its bonds for the purpose of refunding any of its outstanding bonds, including the payment of any redemption premium and interest accrued to the date of redemption, purchase or maturity of the bonds being refunded.

The County may issue economic development revenue bonds under State law which provides that such bonds shall not constitute an indebtedness or charge against the general credit or taxing power of the County. In addition, the County may participate in State loans for school and highway construction, secured solely by the County’s portion of certain State-shared revenues.

The following table sets forth the County’s long-term debt per capita and ratios of debt to assessed value for the five most recent fiscal years ended June 30:

Fiscal Year	County Debt	Estimated Population	Assessed Value*	Net Debt Per Capita	Net Debt to Assessed Value*
2011.....	\$142,990,434	101,108	\$10,018,045,703	\$1,414	1.43%
2010.....	152,429,991	103,850	10,427,476,409	1,512	1.46
2009.....	147,566,584	103,490	9,286,650,170	1,477	1.59
2008.....	132,552,771	99,926	8,328,946,812	1,334	1.59
2007.....	114,842,045	99,506	7,598,047,084	1,154	1.51

Sources: United States Department of Commerce, U.S. Census Bureau. Audited financial statements for fiscal years 2007-2011.

*The County’s assessed value and net debt to assessed value are comparable to the County’s market value and net debt to market value.

The following table sets forth the County’s debt service expenditures, exclusive of debt service in respect to the Cecil County Sanitary District, as a percentage of General Fund expenditures for each of its five most recent fiscal years ended June 30:

Fiscal Year	Debt Service Expenditures	General Fund Expenditures	Percentage
2011.....	\$15,732,624	\$161,630,020	9.73%
2010.....	15,983,921	162,981,369	9.84
2009.....	14,242,914	164,058,773	8.68
2008.....	13,343,661	152,384,676	8.76
2007.....	11,695,105	152,944,124	7.65

Source: Audited financial statements for fiscal years 2007-2011.

The County has an above average rate of debt retirement as seen in the following table:

Rapidity of Debt Amortization*

<u>Number of Years</u>	<u>Principal Retired</u>	<u>Percent of Debt Retired</u>
5.....	\$61,104,731	31.87%
10.....	118,984,103	62.06
15.....	171,428,962	89.41
20.....	190,465,142	99.34

* Does not include the Bonds offered herein.
Source: Cecil County Treasurer's Office

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Schedule of Debt Service Requirements

The following table sets forth the schedule of debt service requirements for County debt outstanding as of June 30, 2011.

Year Ending June 30	General Obligation Bonds				Special Assessment Bonds (1)		Total	
	Governmental Activities		Business-Type Activities		Governmental Activities		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2012.....	\$ 10,307,727	\$ 5,461,250	\$ 2,539,371	\$ 1,407,144	\$ 13,286	\$ -	\$ 12,860,384	\$ 6,868,394
2013.....	9,172,701	5,095,799	3,030,649	1,345,678	6,099	-	12,209,448	6,441,477
2014.....	9,161,709	4,754,290	3,174,193	1,281,446	6,099	-	12,342,000	6,035,736
2015.....	8,775,013	4,428,460	3,218,749	1,216,465	6,099	-	11,999,861	5,644,925
2016.....	9,048,317	4,108,414	2,638,621	1,157,675	6,099	-	11,693,037	5,266,089
2017.....	8,910,627	3,782,656	2,674,810	1,101,620	6,099	-	11,591,536	4,884,276
2018.....	9,174,559	3,449,538	2,714,706	1,041,306	6,099	-	11,895,364	4,490,844
2019.....	9,029,186	3,109,037	2,754,244	977,813	6,099	-	11,789,529	4,086,850
2020.....	8,351,130	2,782,199	2,796,811	911,631	6,099	-	11,154,040	3,693,830
2021.....	8,600,391	2,445,762	2,842,413	840,220	6,099	-	11,448,903	3,285,983
2022.....	8,533,964	2,096,104	3,219,065	755,120	6,099	-	11,759,127	2,851,224
2023.....	8,035,812	1,755,713	2,872,810	664,543	6,099	-	10,914,721	2,420,256
2024.....	8,299,909	1,413,332	2,257,634	577,925	6,099	-	10,563,642	1,991,258
2025.....	7,787,019	1,073,511	2,202,505	500,359	6,099	-	9,995,622	1,573,870
2026.....	7,381,884	750,234	1,823,763	421,902	6,099	-	9,211,746	1,172,136
2027.....	5,503,000	475,185	1,739,451	345,670	6,099	-	7,248,550	820,855
2028.....	3,697,128	275,709	1,716,485	267,413	6,099	-	5,419,712	543,122
2029.....	1,838,154	148,666	1,218,985	196,633	6,099	-	3,063,238	345,299
2030.....	691,102	59,089	989,696	134,395	6,099	-	1,686,898	193,484
2031.....	691,102	19,696	920,582	82,209	6,099	-	1,617,783	101,905
2032-2036.....	-	-	409,639	238,861	6,099	-	415,738	238,861
2037-2041.....	-	-	510,146	138,355	-	-	510,146	138,355
2042-2046.....	-	-	348,315	29,166	-	-	348,315	29,166
Sub Total:.....	\$ 142,990,434	\$ 47,484,644	\$ 48,613,644	\$ 15,633,549	\$ 135,263	\$ -	\$ 191,739,341	\$ 63,118,193
Less: Funds not Drawn.....	-	-	(27,320)	-	-	-	(27,320)	-
Total.....	\$ 142,990,434	-	\$ 48,586,324	-	\$ 135,263	-	\$ 191,712,021	-

(1) Debt service is paid from connection fees, water and sewer charges and assessments.
Source: Cecil County Treasurer's Office.

Summary of Debt Service as Adjusted to Reflect Issuance of the Bonds

Fiscal Year	Total Outstanding Debt Service (1)	Less: Refunded Bonds Debt Service(3)	Consolidated Public Improvement and Refunding Bonds of 2012		Adjusted Total Debt Service(1)
			Principal(3)	Interest(2)	
2012	\$19,728,778	\$ 501,381	\$ -	\$ -	\$19,227,397
2013	18,650,925	1,002,763	-	1,306,791	18,954,953
2014	18,377,736	1,347,075	\$1,060,000	1,215,569	19,306,230
2015	17,644,787	1,875,368	1,650,000	1,180,500	18,599,919
2016	16,959,126	2,309,216	2,165,000	1,132,600	17,947,510
2017	16,475,812	3,673,751	3,685,000	1,059,397	17,546,458
2018	16,386,208	3,674,972	3,795,000	964,038	17,470,274
2019	15,876,379	3,258,925	3,460,000	862,850	16,940,304
2020	14,847,870	2,623,541	2,900,000	767,450	15,891,779
2021	14,734,886	2,621,231	2,965,000	679,475	15,758,130
2022	14,610,351	2,075,369	2,480,000	597,800	15,612,782
2023	13,334,977	2,076,100	2,545,000	513,400	14,317,277
2024	12,554,900	2,078,538	2,615,000	417,500	13,508,862
2025	11,569,492	2,076,359	2,690,000	318,750	12,501,883
2026	10,383,882	2,074,406	2,765,000	217,000	11,291,476
2027	8,069,405	-	735,000	154,350	8,958,755
2028	5,962,834	-	735,000	132,300	6,830,134
2029	3,408,537	-	735,000	110,250	4,253,787
2030	1,880,382	-	735,000	88,200	2,703,582
2031	1,719,688	-	735,000	66,150	2,520,838
2032-2036	654,599	-	1,470,000	66,150	2,190,749
3037-2041	648,501	-	-	-	648,501
2042-2046	377,481	-	-	-	377,481
Subtotal	254,857,535	33,268,994	39,920,000	11,850,000	273,359,060
Less(3).....	(27,320)	-	-	-	-
Total	<u>\$254,830,215</u>	<u>\$33,268,994</u>	<u>\$39,920,000</u>	<u>\$11,850,000</u>	<u>\$273,359,060</u>

(1).Totals may not add due to rounding.

(2) Interest rates estimated from 2.00% to 4.00%.

(3) Preliminary, subject to change

Capital Improvement Program

The following table sets forth the different classes of capital projects and the amounts included in the fiscal year 2012 budget and the amounts that have been approved in the Capital Improvement Program for the five fiscal years indicated.

Department	Budget					Total Cost
	2012	2013	2014	2015	2016	
Board of Education.....	\$3,305,000	\$2,716,000	\$9,748,000	\$30,819,000	\$31,282,000	\$77,870,000
Cecil College	3,239,000	16,854,000	2,820,000	-	3400000	26,313,000
Libraries	170,000	295,000	338,000	1163000	8780000	10,746,000
Emergency Services	1,772,000	1,070,000	-	-	1210000	4,052,000
Sheriff	-	-	-	-	-	-
DPW — Solid Waste.....	750,000	625,000	350,000	2,175,000	6,100,000	10,000,000
DPW — Water	-	-	-	-	-	-
DPW — Wastewater	3,825,000	38,700,000	2,860,000	3,010,000	19,450,000	67,845,000
DPW — Roads and Bridges.....	3,408,000	4,545,000	6,195,000	7,710,000	2,650,000	24,508,000
Facilities Management	1,138,000	460,000	382,000	-	-	1,980,000
Senior Services	288,000	280,000	425,000	-	-	993,000
Total.....	<u>\$17,895,000</u>	<u>\$65,545,000</u>	<u>\$23,118,000</u>	<u>\$44,877,000</u>	<u>\$72,872,000</u>	<u>\$224,307,000</u>
Source of Funding						
Pay-as-you-Go	\$1,925,000	\$3,684,000	\$3,640,000	\$3,667,000	\$2,694,000	\$15,610,000
Local	9,176,000	49,714,000	11,519,000	26,609,000	50,047,000	147,065,000
State	4,118,000	11,388,000	7,809,000	14,601,000	20131000	58,047,000
Federal	1,772,000	-	-	-	-	1,772,000
Other	904,000	759,000	150,000	-	-	1,813,000
Total.....	<u>\$17,895,000</u>	<u>\$65,545,000</u>	<u>\$23,118,000</u>	<u>\$44,877,000</u>	<u>\$72,872,000</u>	<u>\$224,307,000</u>

Source: Cecil County Department of Budget.

The County has consistently utilized a plan of “pay-as-you-go” capital financing. The following table shows the monies expended under the “pay-as-you-go” Capital Financing Plan for the five most recent fiscal years:

<u>Fiscal Year</u>	<u>Pay-As-You-Go Amount</u>
2011	\$1,751,000
2010	4,877,662
2009	4,564,033
2008	7,708,790
2007	6,914,012

Source: Cecil County Department of Budget.

Underlying Debt

The County’s eight incorporated municipalities had outstanding indebtedness at June 30, 2011 of \$4,238,523.

Future Plans to Issue County Debt

The County is operating with an approved Capital Program which will help to determine future size and timing of subsequent bond issues. The County does not anticipate another bond issue in fiscal year 2012.

ECONOMIC AND DEMOGRAPHIC FACTORS

Economic Growth and Development

Cecil County is located in the northeastern portion of the State of Maryland, at the top of the Chesapeake Bay. It is a largely rural county, with a population of 101,108 residents; however, Interstate 95 and US Route 40 traverse the northern portion, and it is an outstanding business location for manufacturing and distribution companies with markets in the mid-Atlantic region.

The Cecil County Economic Development Commission (“EDC”) is a 25-member, volunteer organization, appointed by the Board of County Commissioners, that advises the Director of Economic Development and the Board of County Commissioners on economic policy and program matters. The EDC was created for the purpose of advancing the general economic welfare of the County through the establishment of programs and activities that result in new economic activity, job growth, and expansion of the local tax base. The EDC represents a cross-section of people from the business community.

Some of the new and expanding businesses investing in the County since 2006 include:

	<u>Company/Business</u>	<u>Activity</u>	<u>Investment</u>	<u>Jobs</u>	<u>New/ Expansion</u>	
2006	New England Motor Freight.....	Truck Terminal	\$ 9,000,000	150	New	
	C&S Wholesale Grocer.....	Food Distribution.....	13,000,000	350	New	
	TradeCenter@95	Spec Distribution Building	28,000,000	**	New	
	Perryville Cold Storage	Food Distribution.....	30,000,000	85	New	
	Stewart Associates.....	Spec Flex Building.....	5,500,000	20	New	
	W L Gore & Associates	Manufacturing/R & D.....	<u>23,000,000</u>	<u>140</u>	Exp.	
		SUBTOTAL.....	108,500,000	745		
2007	LaFarge	Concrete Manufacturer	\$ 500,000	12	New	
	Metal Sales & Service	Spec Manufacturing	600,000	10	New	
	Edgemoor Materials	Asphalt Manufacturing	4,000,000	15	Exp.	
	Triumph Industrial Park	Spec Flex Building.....	800,000	**	New	
	M & M PreCast.....	Concrete Manufacturer	<u>500,000</u>	<u>10</u>	Exp.	
			SUBTOTAL.....	6,400,000	47	
2008	PTFE Compounds	Plastic Compounds	\$ 2,000,000	25	New	
	Diamond State Truck Center.....	Transportation Parts and Service	3,000,000	50	New	
	H&S Bakery	Food Distribution.....	1,900,000	60	New	
	Summit Project Managers	Business Services.....	80,000	4	New	
	General Resonance.....	R&D	NA	5	New	
	Fortress Steel.....	Manufacturing.....	<u>NA</u>	<u>5</u>	New	
		SUBTOTAL.....	6,980,000	149		
2009	Custom Pack.....	Manufacturer.....	\$ 200,000	12	New	
	BRC Rail	Rail Car Service	4,500,000	65*	New	
	Herrs Foods	Distribution	250,000	20	New	
	Perryville Medical Center Bldg. #1.....	Medical Services.....	7,600,000	120*	New	
	Micropore.....	Manufacturer.....	7,000,000	36	New	
	Penn National.....	Gaming	97,500,000	420*	New	
	Integrity Tool & Fastener.....	Wholesale Distribution	300,000	10	New	
	Warwich Mushroom Farms.....	Agriculture	10,000,000	84	New	
	Terumo Medical	Manufacturer.....	700,000	37	Exp.	
	Tim Plastics.....	Manufacturer.....	750,000	45	Exp.	
	W.L. Gore – Elk Mills.....	Manufacturer.....	<u>7,000,000</u>	<u>200</u>	Exp.	
			SUBTOTAL.....	<u>135,800,000</u>	1,049	

2010	W.L. Gore – Elk Mills.....	Manufacturer	\$2,000,000	10	Exp.
	Amtrak	Service Shop	100,000	30	Exp.
	Area Electric	Service Shop	100,000	NA	Exp.
	Forrest Sheet Metal	Service Shop	50,000	<u>12</u>	New
		SUBTOTAL.....	<u>2,250,000</u>	52	
2011	Warwick Mushroom.....	Agriculture	\$8,600,000	60	New
	Herr’s Foods.....	Distribution	250,000	10	New
	Terumo Medical	Manufacturer	1,700,000	15	New
	US Dept. of Health.....	Warehouse	250,000	5	New
	Wire Mesh.....	Manufacturer.....	1,000,000	24	New
	Trombetta Farms	Agriculture	900,000	10	New
		SUBTOTAL.....	<u>14,950,000</u>	<u>124</u>	
		TOTAL 2006 – 2011	<u>\$274,880,000</u>	<u>2,166</u>	

Source: Office of Economic Development, Cecil County.
Revised: December 2011

Population

During the past 60 years the population of the County has increased approximately 203% as reflected in the following table:

1950.....	33,356(a)
1960.....	48,408(a)
1970.....	53,291(a)
1980.....	60,430(a)
1985.....	65,500(b)
1990.....	71,347(a)
1995.....	77,200(c)
2000.....	85,951(a)
2005.....	97,796(c)
2007.....	99,368(c)
2010.....	101,108(c)

Source: (a) U.S. Department of Commerce, U.S. Census Bureau.
(b) Maryland Department of State Planning, Intercensal Estimates.
(c) Maryland Office of Planning.

The following table sets forth the most recently published age and sex distribution estimates for the County.

Population Distribution

<u>Age</u>	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Under 5.....	3,276	6.5	2,550	6.2	6,424	6.4
5-19	11,122	22.1	10,504	20.7	21,626	21.4
20-44	15,812	31.4	16,077	31.6	31,889	31.5
45-64	14,678	29.2	14,616	28.8	29,294	29.0
65 and over.....	<u>5,413</u>	<u>10.8</u>	<u>6,462</u>	<u>12.7</u>	<u>11,875</u>	<u>11.7</u>
Total.....	<u>50,301</u>	<u>100.0</u>	<u>50,807</u>	<u>100.0</u>	<u>101,108</u>	<u>100.0</u>

Source: U.S. Department of Commerce, U.S. Census Bureau, 2010.

Income

During the five-year period shown below, personal income on average grew more quickly in the County than in the State. A comparison of County and State of Maryland personal income is presented in the following table:

<u>Calendar Year</u>	<u>Personal Income (\$000's)</u>		<u>Percent Change from Previous Year</u>	
	<u>Cecil County</u>	<u>State of Maryland</u>	<u>Cecil County</u>	<u>State of Maryland</u>
2010	N/A*	\$288,113,000	N/A*%	5.0%
2009	\$3,715,479	274,380,000	(0.4)	0.7
2008	3,729,991	272,542,000	4.7	3.1
2007	3,562,166	264,367,000	7.8	4.6
2006	3,304,992	252,781,000	9.7	6.4

*County statistical information for personal income is not available for the calendar year 2010.

Source: Regional Information System, Bureau of Economic Analysis, U.S. Department of Commerce, December 2011

Retail Sales

Retail sales as measured by retail sales tax collections registered a 52.6% increase from fiscal year 2000 to fiscal year 2010. A ten-year comparison for the County and the State of Maryland is given below:

Tax Receipts on Retail Sales (\$000's)

<u>Fiscal Year</u>	<u>Cecil County</u>	<u>% Change</u>	<u>State of Maryland</u>	<u>% Change</u>
2010.....	\$33,317	(2.5)	\$3,776,170	2.7
2009.....	34,184	7.0	3,880,069	2.9
2008.....	31,938	9.8	3,769,012	8.6
2007.....	29,120	3.3	3,469,719	2.2
2006.....	28,179	7.6	3,394,905	6.8
2005.....	26,184	6.1	3,179,264	7.1
2004.....	24,679	6.8	2,969,441	8.5
2003.....	23,113	(0.2)	2,737,241	1.1
2002.....	23,166	1.6	2,708,539	1.5
2001.....	22,812	4.5	2,669,059	5.9
2000.....	21,836	4.0	2,520,984	8.9
Change: 2000-2010.....	\$11,481	52.6%	\$1,255,186	49.8%

Source: Maryland Comptroller of the Treasury. Consolidated Revenue Report Sales and Use Tax Receipts by Subdivision and Business Activity, 2000-2010.

Education

The following table sets forth the percentage of persons 25 years and older who have completed certain years of school as described in the 2000 Bureau of Census survey. Comparative figures for the County, neighboring counties and the State of Maryland are as follows:

	<u>Cecil</u>	<u>Harford</u>	<u>Kent</u>	<u>State</u>
Elementary (grades K-8)	4.6%	3.9%	6.4%	5.1%
High School				
1-3 years.....	14.2	9.4	14.8	11.1
4 years.....	37.9	28.2	35.9	26.7
College				
No degree	21.1	23.9	17.3	20.3
Associate degree.....	5.8	7.3	3.9	5.3
Bachelor's degree	10.7	17.9	12.6	18.0
Graduate/Professional degree	5.7	9.4	9.1	13.4

Source: Table DP-2. Profile of Selected Social Characteristics: 2000. U.S. Bureau of the Census, Census 2000.

Survey results of the number of high school students in Cecil County, surrounding counties and the State of Maryland as a whole who graduated in 2011, as a percentage of their ninth grade enrollment, four grades earlier, are presented below:

Cecil County.....	86.6
Harford County	89.6
Kent County	87.5
State of Maryland	87.0

Source: Maryland Report Card-2011 Performance Report State and School Systems - Maryland Department of Education.

Housing

The number of construction permits (does not include mobile homes) issued on a fiscal year basis by the County since 2001 are listed below:

<u>Year</u>	<u>Total</u>	<u>New Commercial Permits</u>	<u>New Residential Permits</u>	<u>Additions, Garages, etc.</u>	<u>Misc.</u>	<u>Average Value of Permits (\$000's)</u>
2011	1,367	11	323	892	141	\$70,910
2010	1,288	11	281	836	160	120,797
2009	1,354	13	276	873	192	101,994
2008	1,712	38	362	1,078	234	90,122
2007	1,995	55	407	1,302	231	89,943
2006	2,155	23	530	1,440	162	91,811
2005	2,469	26	721	1,507	215	77,206
2004	2,541	19	776	1,505	241	79,586
2003	2,073	24	834	1,044	171	91,669
2002	1,946	27	703	1,035	181	81,166
2001	1,744	15	665	911	153	66,996

Source: Cecil County Department of Budget.

The age of owner-occupied housing units in the County as determined by the 2000 Bureau of Census survey is relatively low. A comparison of the County, its neighboring Maryland counties and the State of Maryland are set forth below:

	<u>Cecil County</u>	<u>Harford County</u>	<u>Kent County</u>	<u>State</u>
10 years old and under.....	26.7%	27.7%	18.4%	16.8%
11-20 years old	18.7	20.4	13.5	17.2
Over 20 years old	54.5	52.1	68.2	66.1

Source: Table DP-4. Profile of Selected Housing Characteristics: 2000. U.S. Bureau of the Census, Census 2000.

Employment

Listed below are employment figures for the 20 largest employers in the County.

20 Largest Employers in Cecil County

	<u>Number of Workers</u>	<u>Product/Service</u>
1 Cecil County Board of Education	2,464	Education
2 W. L. Gore & Associates	2,302	Medical Products/R&D
3 Perry Point V.A. Hospital	1,125	Medical Services
4 Union Hospital/Affinity Health System	1,000	Medical Services
5 ATK Alliant Techsystems	637	Rocket Motors
6 Cecil County Commissioners	610	County Government
7 Wal-Mart	500	Consumer Goods
8 IKEA Maryland	370	Furniture Distribution
9 Penn National Gaming	350	Video Slots Parlor
10 Terumo Medical Corporation	345	Medical Products/R&D
11 Burris Logistics	280	Food Distribution
12 Maryland Transportation Authority	250	Government Services
13 Bayside Community Network	250	Nursing Care
14 Performance Food Group	226	Food Distribution
15 Terumo Cardiovascular Systems	225	Medical Products/R&D
16 Upper Bay Counseling & Support	185	Medical Services
17 C&S Wholesale Grocers	180	Food Distribution
18 Cecil College	150	Higher Education
19 Town of Elkton	132	Municipal Government
20 Moon Nurseries of Maryland	115	Nursery Products

Source: Cecil County Office of Economic Development, December 2011

Business and Industrial Composition

<u>Classification</u>	<u>Number of Reporting Units</u>	<u>Percent of Total(1)</u>	<u>Quarterly Average Employment</u>	<u>Percent of Total(1)</u>
Natural Resources and Mining.....	41	2.1%	653	2.4%
Construction.....	248	12.6	822	4.2
Manufacturing	73	3.7	4,060	15.7
Trade/Transportation/Utilities.....	445	22.7	6,158	22.7
Information	16	.8	186	0.7
Financial Activities	164	8.4	696	2.6
Professional and Business Services	289	14.7	1,256	4.6
Education and Health Services	174	8.9	3,551	13.1
Leisure and Hospitality.....	254	13.0	2,941	10.8
Other Services.....	<u>172</u>	<u>8.8</u>	<u>939</u>	<u>3.5</u>
Total – Private Sector	1,878	95.8	21,264	78.4
Local Government	46	2.3	4,114	15.2
State Government	6	0.3	317	1.2
Federal Government	<u>31</u>	<u>1.6</u>	<u>4,114</u>	<u>15.2</u>
Total	<u>1,961</u>	<u>100.0%</u>	<u>27,129</u>	<u>100.0%</u>

(1) Totals may not add due to rounding.

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, "Employment and Payrolls, First Quarter 2011."

Agriculture

Agriculture pursuits have dominated the Cecil County landscape and economy for most of its history. Though its land base is shrinking, agriculture is still an important and growing industry, and county farmers produce products for local, regional, national and international marketplaces.

Agriculture is an important segment of the County economy according to the data available from the United States Department of Agriculture. From the period 2002 to 2007, land farms increased from 77,089 acres to 85,026 acres, while the size of the average farm dropped from 165 acres to 146 acres. The number of full-time farms bested the national trend by increasing to 583 farms from 468 farms, with over 36.9% of the County's acreage now devoted to agriculture.

Cecil County comprises 222,824 acres. About 34.6% is identified as farmland. Much of the agricultural land is devoted to cash crops, grain and dairy farms. Our principal crops are corn, soybeans and wheat. Secondary crops include hay, barley, tree fruits, vegetables and berries. The County is well adapted for raising horses and has several large Standardbred and Thoroughbred farms and many smaller farms producing horses for racing and pleasure. Recent investments in equine operations total in the millions and include a world-class dressage facility, a select breeders facility and new barns at the Fair Hill Training Facility. Cecil County is now home to Dove Valley Winery and Terrapin Station Winery. The rural landscape of Cecil County is home to several value-added operations including: ice cream, home delivered glass bottled milk, pasture raised poultry and beef, organic and non-organic produce operations, dinners on the farm and more.

Source: Cecil County Department of Economic Development

Employment Classification

The 2000 Census Bureau survey determined the worker classification for employed persons 16 and over. Comparative figures for the County, its neighboring counties and the State of Maryland are presented below:

	<u>Cecil County</u>	<u>Harford County</u>	<u>Kent County</u>	<u>State</u>
Private Wage and Salary	78.9%	76.6%	73.1%	72.1%
Government.....	15.1	18.8	15.0	22.3
Self-Employed	5.8	4.4	11.3	5.4
Unpaid Family	0.2	0.2	0.6	0.2

Source: Table DP-3. Profile of Selected Economic Characteristics: 2000. U.S. Bureau of the Census, Census 2000.

The following table sets forth the County's unemployment rate as compared with its neighboring counties, the State of Maryland and the United States for the years 2007-2011.

Average Annual Unemployment Rate

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cecil County	8.3%	8.9%	8.4%	5.3%	4.2%
Harford County.....	7.1	7.5	7.3	4.3	3.5
Kent County.....	7.7	8.3	7.7	4.8	3.6
State of Maryland	7.0	7.5	7.1	4.4	3.6
United States.....	8.5	9.4	9.9	7.3	5.0

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information.- January 2012.

Persons living in the County who were available for work and composed the County labor force numbered 49,066 in December 2011 while the total employment of this force was 44,982 resulting in an unemployment rate of 8.3% for this period. Certain comparative unemployment rates are given below for December 2011.

Cecil County.....	8.3%
Harford County.....	6.3
Kent County.....	7.0
State of Maryland.....	6.5
United States.....	8.3

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, "Civilian Labor Force Employment and Unemployment by Place and Residence December, 2011"

Commuting Patterns

The 2000 U.S. Census Bureau Survey determined the work commuting patterns for the labor forces of each of Maryland’s counties and the City of Baltimore. Comparative figures for the County, its neighboring counties and the State of Maryland covering the percentage of its labor force (those 16 and over) who commute outside of the county of their residence are shown below:

Cecil County.....	53.2%
Harford County.....	48.1
Kent County.....	28.0
State of Maryland.....	75.7

Source: Census 2000 Summary File 3 (SF 3).

EXPERTS

The financial statements of the County included as Appendix A have been audited by SB & Company, LLC, independent certified public accountants, as stated in their report included therein. Such financial statements are included in reliance upon the report of SB & Company, LLC. The independent accountants were not requested to review or update such financial statements or their report in connection with the issuance of the Bonds and such report speaks only as of its date. The independent accountants have not performed any audit procedures subsequent to the date of their report and have not audited any financial statements of the County as of any date, or for any period, subsequent to June 30, 2011.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Arbitrage Group, Inc., Tuscaloosa, Alabama, a firm of independent arbitrage agents, upon delivery of the Bonds, will deliver to the County its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the computations performed by Davenport & Company LLC relating to (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, if any, to pay, when due, the principal of, the redemption premium, if any, and interest due on the Refunded Bonds to and including the date on which such bonds are redeemed, and (b) the “yield” on the Government Obligations and on the Bonds.

FINANCIAL ADVISOR

The County has retained Davenport and Company LLC, Towson, Maryland, as financial advisor (the “Financial Advisor”) in connection with the preparation of the County’s issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

SALE AT COMPETITIVE BIDDING

The Bonds were offered by the County for competitive bids at public sale on March 22, 2012 in accordance with the official Notice of Sale. The interest rates shown on the inside cover of this Official Statement are the interest rates that resulted from the successful bid for the Bonds at the competitive sale. The initial prices or yields shown on the inside cover of this Official Statement are based on the information supplied to the County. All other information concerning the nature and terms of any reoffering should be obtained from the successful bidder for the Bonds and not from the County.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution of this Official Statement and its delivery have been duly authorized by the County.

COUNTY COMMISSIONERS OF
CECIL COUNTY

BY: _____

James T. Mullin
President of the Board of
County Commissioners of
Cecil County

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2011

The County incorporates by reference in this Official Statement the County's Comprehensive Annual Financial Report for the Year Ended June 30, 2011, which has been submitted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system and can be viewed at emma.msrb.org by searching CUSIP No. 149843 or on the County's website at www.ccgov.org/dept_treasurer/cafr.cfm

DRAFT APPROVING OPINION OF BOND COUNSEL

(Letterhead of McGuireWoods LLP)

(Closing Date)

County Commissioners of Cecil County
Elkton, Maryland

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by County Commissioners of Cecil County (the "County") of \$_____ general obligation bonds designated "County Commissioners of Cecil County Consolidated Public Improvement and Refunding Bonds of 2012" (the "Bonds"), which are described as follows:

Dated the date of initial delivery, interest payable semiannually on May 1 and November 1 of each year, beginning November 1, 2012, until maturity or prior redemption, fully registered in form and in the denomination of \$5,000 each or any integral multiple thereof; issued under the provisions of Chapter 266 of the Laws of Maryland of 2009, Chapter 101 of the Laws of Maryland of 2010, Sections 67-22 through 67-31, inclusive, of the Code of Cecil County (1989 Edition), as amended, and Article 31, Section 24 of the Annotated Code of Maryland (2010 Replacement Volume) (collectively, the "Acts"); authorized to be issued and awarded by Resolutions adopted by the Board of County Commissioners of Cecil County on March 6, 2012 and March 22, 2012, respectively (collectively, the "Resolutions"); and maturing, subject to prior redemption, on November 1 in each of the years 2013 to 2032, inclusive, in such amounts, and bearing interest at such rates, as set forth in the Bonds.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

With respect to an executed and authenticated Bond which we have examined and Bonds similarly executed and authenticated, it is our opinion under existing law that:

(a) The County is a validly created and existing body politic and corporate of the State of Maryland, possessing the authority under the Acts to issue the Bonds.

(b) The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, the Acts and the Resolutions.

(c) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit are pledged, payable as to both principal and interest from ad valorem taxes which the County is empowered and directed to levy, without limitation of rate or amount, upon all property subject to taxation by the County.

(d) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Resolutions, has covenanted to levy said ad valorem taxes in each fiscal year in which provision must be made for the payment of such principal and interest.

(e) Under existing law, the interest on the Bonds (i) is excludable from gross income of the owners thereof for Federal income tax purposes, and (ii) is not an enumerated item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

In rendering the opinion expressed above in paragraph (e), we have assumed continuing compliance with the covenants and agreements set forth in the Tax Certificate and Compliance Agreement of even date herewith executed and delivered by the County, which covenants and agreements are designed to satisfy the requirements of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended, and the income tax regulations issued thereunder. Failure by the County to comply with such covenants and agreements could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their issue date.

(f) Under existing law of the State of Maryland, the interest on the Bonds is exempt from taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

This opinion is given as of its date and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

It is to be understood that the rights of any holder of the Bonds and the enforceability of Bonds may be subject to (a) any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences and fraudulent transfers or conveyances), reorganization, moratorium and other similar laws affecting creditors' rights generally, (b) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and (c) the valid exercise of constitutional powers of the United States of America and of the sovereign police and taxing powers of the State of Maryland or other governmental units having jurisdiction.

Very truly yours,

McGuireWoods LLP

OFFICIAL NOTICE OF SALE

CECIL COUNTY, MARYLAND

\$39,920,000*

**COUNTY COMMISSIONERS OF CECIL COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT AND
REFUNDING BONDS OF 2012**

General Obligation Bonds

Dated: Date of Initial Delivery

Electronic bids via **PARITY®** will be received by the Board of County Commissioners of Cecil County (the "Board"), in their offices at the County Administration Building, 200 Chesapeake Boulevard, Elkton, Maryland 21921, until 11:00 a.m. local time on Thursday,

March 22, 2012,

for the purchase of the above-designated bonds (the "Bonds") of County Commissioners of Cecil County (the "County").

Terms of the Bonds

The Bonds are all dated their date of initial delivery, and bear interest payable on November 1, 2012, and semiannually thereafter on May 1 and November 1 until maturity or earlier redemption. The Bonds mature, subject to prior redemption as herein stated, on November 1 in each of the years 2013 to 2032, inclusive, as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2013	\$1,060,000	2023	\$2,615,000
2014	1,650,000	2024	2,690,000
2015	2,165,000	2025	2,765,000
2016	3,685,000	2026	735,000
2017	3,795,000	2027	735,000
2018	3,460,000	2028	735,000
2019	2,900,000	2029	735,000
2020	2,965,000	2030	735,000
2021	2,480,000	2031	735,000
2022	2,545,000	2032	735,000

The Bonds are being issued under the provisions of Chapter 266 of the Laws of Maryland of 2009, Chapter 101 of the Laws of Maryland of 2010, Sections 67-22 through 67-31, inclusive, of the Code of Cecil County (1989 Edition), as amended, and Article 31, Section 24 of the Annotated Code of Maryland (2010 Replacement Volume), and a Resolution of the Board adopted on March 6, 2012 (the "Resolution"), for public purposes which include financing the acquisition, planning, engineering, renovation, construction, and equipping of certain public facilities in Cecil County, Maryland and refunding certain outstanding general obligation bonds of the County.

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

*Preliminary, subject adjustment as provided herein.

Optional Redemption

The Bonds which mature on or before November 1, 2022 are not subject to redemption prior to their maturities. The Bonds which mature on and after November 1, 2023 are subject to redemption at any time on or after November 1, 2022, 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 accrued interest to the redemption date.

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

If the County elects to redeem all or a portion of the Bonds outstanding, it shall deliver a redemption notice to DTC prior to the date fixed for redemption by a secure means as prescribed in the Resolution. 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. From and after the date fixed for redemption, if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest.

Book-Entry System

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

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

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

Adjustments

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. Changes to be made prior to the sale will be through TM3 News Service not later than 9:30 a.m. local time on the date of sale (or as soon thereafter as is reasonably practical) and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 5:00 p.m. local time on the date of the sale, will be made only as necessary to effect the refunding, and will not reduce or increase the aggregate principal amount of the Bonds by more than 12% from the amount bid upon. In addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. local time on the date of the sale. 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. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Electronic Bids

Electronic bids via **PARITY®** will be received in the manner described below until 11:00 a.m. local time on March 22, 2012. 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 11:00 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 oral bid and no bid for less than all of the Bonds will be considered by the Board. The right is reserved to waive any irregularity or informality in any bid and to reject any or all bids. The Board'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 100% of par or more than 112% 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 3%, or (d) any interest rate that exceeds 5.50%.

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 11:00 a.m. local time, on Thursday, March 22, 2012. 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. For purposes of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

Disclaimer

Each prospective bidder shall be solely responsible to submit its bid via **PARITY®** as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the

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

Basis of Award

Bids will be opened promptly after 11:00 a.m. local time (as determined in accordance with the time maintained on **PARITY**®), Thursday, March 22, 2012. The award, if made, will be made promptly after the bids are opened to the bidder offering the lowest true interest cost to the County in any legally acceptable bid. The lowest true interest cost shall be determined in accordance with the true interest cost ("TIC") method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds, and to the price bid. The TIC shall be as determined by the financial advisor to the County based on the terms of this Notice of Sale and all amendments thereto and on each bid as submitted. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, then such award will be made to the bidder offering the highest premium. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, with the same premium, the Bonds will be awarded by lot to one of such bidders.

Good Faith Deposit

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

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

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

Postponement of Sale

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

Approving Legal Opinion; Closing Papers

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

Preliminary Official Statement; Continuing Disclosure

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

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

Bond Insurance

In the event that all or any part of the Bonds are initially reoffered with bond insurance secured by the successful bidder, the successful bidder shall notify promptly the Treasurer of the County at the time of sale of such event and shall provide the Treasurer with any information he reasonably requests regarding such bond insurance, including the amounts paid for such insurance. The County will, at the request and expense of the successful bidder, include

customary language in the Official Statement and the form of the Bonds regarding the bond insurance policy upon receipt of such opinions or certificates as the County reasonably may request regarding the accuracy of any information to be included in the Official Statement and the binding nature of the obligations contained in the bond insurance policy with respect to the Bonds. The County shall have no obligation to provide the successful bidder or the issuer of such bond insurance policy with any other documents or opinions relating to the Bonds. Neither the failure of the Bonds to be insured by such bond insurance policy nor any change in the ratings provided by any rating agency with respect to the issuer of such bond insurance policy occurring between the time of the award of the Bonds and the time the Bonds are delivered shall relieve the successful bidder of its contractual obligation to purchase the Bonds.

Delivery

The Bonds will be delivered on April 5, 2012, or as soon as practicable thereafter, upon due notice and at the expense of the County, for the account of the successful bidder, through the facilities of DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), less the Deposit theretofore made. Such payment shall be made in Federal funds.

Miscellaneous

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

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

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

BOARD OF COUNTY COMMISSIONERS OF CECIL COUNTY

By: James T. Mullin, President of the
Board of County Commissioners of Cecil County

Refunded Bonds Outstanding as of March 1, 2012*

Consolidated Public Improvement and Refunding Bonds of 2002

To be redeemed on or about December 1, 2012

<u>Maturing December 1</u>	<u>Principal**</u>	<u>Rate of Interest</u>	<u>Call Price</u>	<u>CUSIP</u>
2013	\$350,000	3.25 %	101%	149843VL5
2014	360,000	3.50	101	149843VM3
2015	375,000	3.625	101	149843VN1
2016	390,000	3.75	101	149843VP6
2017	405,000	3.875	101	149843VQ4

Consolidated Public Improvement and Refunding Bonds of 2003

To be redeemed on or about December 1, 2013

<u>Maturing December 1</u>	<u>Principal</u>	<u>Rate of Interest</u>	<u>Call Price</u>	<u>CUSIP</u>
2014	\$540,000	3.60 %	101%	149843WT7
2015	560,000	3.70	101	149843WU4
2016	580,000	3.80	101	149843WV2
2017	600,000	4.00	101	149843WW0
2018	625,000	4.00	101	149843WX8

Consolidated Public Improvement Bonds of 2004

To be redeemed on or about November 1, 2014

<u>Maturing November 1</u>	<u>Principal</u>	<u>Rate of Interest</u>	<u>Call Price</u>	<u>CUSIP</u>
2015	\$440,000	3.625%	100%	149843XP4
2016	455,000	4.00	100	149843XQ2
2017	475,000	4.00	100	149843XR0
2018	495,000	4.00	100	149843XS8
2019	515,000	4.00	100	149843XT6
2020	535,000	4.00	100	149843XU3

Consolidated Public Improvement and Refunding Bonds of 2005

To be redeemed on or about November 1, 2015

<u>Maturing November 1</u>	<u>Principal</u>	<u>Rate of Interest</u>	<u>Call Price</u>	<u>CUSIP</u>
2016	\$1,395,000**	4.00%	100%	149843YK4
2017	1,455,000**	4.00	100	149843YL2
2018	1,510,000**	4.00	100	149843YM0
2019	1,575,000	4.125	100	149843YN8
2020	1,640,000	4.125	100	149843YP3
2021	1,710,000	4.25	100	149843YQ1
2022	1,785,000	4.25	100	149843YR9
2023	1,865,000	4.25	100	149843YS7
2024	1,945,000	4.375	100	149843YT5
2025	2,030,000	4.375	100	149843YU2

* Subject to market conditions at the time of sale, selected maturities may change and the County may determine to redeem all, some or none of the above bonds. There can be no assurance that bonds finally selected for refunding will be all of those set forth above.

** Represents a portion of the Refunded Bonds of such series maturing in such year. Within 30 days after delivery of the Bonds, the bond registrar for each series of the Refunded Bonds will select the Refunded Bonds, or portions thereof, from each maturity of such series to be refunded and send a notice of refunding to the holders of the Refunded Bonds so selected.

Note: CUSIP is a registered trademark of and the CUSIP numbers set forth above are copyrighted by the American Bankers Association. CUSIP numbers provided herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and the County does not take responsibility for the accuracy thereof. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau.