

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2010 Legislative Session

Bill No. CB-57-2010

Chapter No. 43

Proposed and Presented by The Chairman (by request – County Executive)

Introduced by Council Members Olson, Dean, Dernoga, Harrison, Turner and Exum

Co-Sponsors _____

Date of Introduction June 15, 2010

BILL

1 AN ACT concerning

2 The Issuance and Sale of General Obligation Bonds, and the authorization to enter into related
3 and/or alternative arrangements, to finance Public School Facilities in an amount not to exceed
4 \$25,825,000

5 For the purpose of authorizing and empowering Prince George's County, Maryland to issue and
6 sell an amount not to exceed Twenty-Five Million Eight Hundred [Twenty-Two] Twenty-Five
7 Thousand (\$25,825,000) in aggregate principal amount of general obligation bonds for the
8 purpose of financing in whole or in part costs of the construction, rehabilitation or repair of
9 certain capital projects for public school facilities set forth in the capital budget of the County for
10 the fiscal year ending June 30, 2011, or usable portions thereof, including describing the capital
11 projects to be financed in whole or in part from the proceeds of the bonds hereby authorized and
12 the estimated costs and probable useful lives thereof; prescribing or providing for the procedures
13 for the issuance and sale of such bonds at public or private or negotiated sale; declaring the
14 County's official intent to reimburse itself for certain expenditures paid before the issuance of the
15 bonds authorized hereby in accordance with applicable federal law; authorizing the consolidation
16 of such bonds with other bonds for purposes of such sale; showing compliance with the power of
17 the County to incur indebtedness; directing the application of the proceeds of such bonds;
18 pledging the full faith and credit and taxing power of the County to the payment of such bonds
19 and providing for the levy and collection of taxes necessary for the payment of the principal of
20 such bonds when due; showing compliance with the limitations on the power of the County to
21 incur indebtedness; authorizing and empowering the County Executive to designate the bonds as

1 qualified school construction bonds and to determine whether either the holder of such bonds
2 will receive a credit against federal income tax or whether the County will receive direct
3 payments; authorizing the County Executive to enter into agreements with the Prince George's
4 County Board of Education and public instrumentalities of the County or the State of Maryland
5 to finance said capital projects, including agreements regarding sale and leaseback (or other
6 similar arrangements) appropriate to said financing; covenanting or providing for the making of
7 certain covenants on matters relating to the tax-exempt status of interest on such bonds, and any
8 credit against federal income tax and/or direct payment to the County on such bonds issued as
9 qualified school construction bonds; providing for compliance with Securities and Exchange
10 Commission Rule 15c2-12; authorizing the County Executive to delegate to appropriate officials
11 the power to make certain determinations and sign certain documents, certificates or agreements
12 authorized to be made or signed by the County Executive herein; and otherwise generally
13 determining or providing for the determination of certain matters in connection with the
14 issuance, sale and delivery of the general obligation bonds and/or alternative arrangements
15 authorized by this Act.

16 WHEREAS, Prince George's County, Maryland (the "County") is authorized to issue, sell
17 and deliver general obligation bonds to finance capital projects for public schools; and

18 WHEREAS, Title I of Division B of the American Recovery and Reinvestment Act of
19 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) added new Section 54F to the Internal Revenue
20 Code of 1986, as amended, setting forth program provisions for qualified school construction
21 bonds, the holder of which would receive a credit against federal income tax; and

22 WHEREAS, Section 301 of the Hiring Incentives to Restore Employment Act, Pub. L. No.
23 111-147, 124 Stat. 71 (2010) added subsection (f) to Section 6431 of the Internal Revenue Code
24 of 1986, as amended, which authorizes issuers to elect irrevocably to receive Federal direct
25 payments of allowances of refundable tax credits to subsidize a prescribed portion of their
26 borrowing costs instead of the Federal tax credits that otherwise would be allowed to the holder;
27 and

28 WHEREAS, issuance of taxable bonds with Federal tax credits allowed to the holder and/or
29 Federal direct payments to the issuer may provide a lower net interest cost than the interest cost
30 of tax exempt bonds that are not qualified school construction bonds; and

31 WHEREAS, to facilitate the issuance of qualified school construction bonds to finance said

1 capital projects, it is appropriate to authorize the County Executive to enter into agreements with
2 the Prince George's County Board of Education and public instrumentalities of the County or the
3 State of Maryland, including agreements regarding sale and leaseback of said capital projects (or
4 other similar arrangements); now therefore

5 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
6 Maryland, that the issuance, sale and delivery of general obligation bonds (the "Bonds") of the
7 County in one or more series from time to time in an aggregate principal amount not exceeding
8 Twenty-Five Million Eight Hundred [Twenty-Two] Twenty-Five Thousand (\$25,825,000) in
9 aggregate is hereby authorized in order to finance costs of the authorized capital projects (the
10 "Authorized Capital Projects") listed in the table set forth in Attachment 1 attached to and made
11 a part of this Act (the "Table of Projects") that have been authorized by the bond enabling acts
12 set forth in the Table of Projects or by this Act. Each Authorized Capital Project is described in
13 the Capital Budget of the County for the fiscal year ending June 30, 2011 (the "Capital Budget")
14 under the heading set forth in the Table of Projects and has the identification number set forth in
15 the Table of Projects. The descriptions of the Authorized Capital Projects contained in the
16 Capital Budget are incorporated herein by reference as if set forth fully herein. The principal
17 amount of Bonds authorized by this Act to finance costs of each Authorized Capital Project shall
18 be the respective amount set forth in the columns in the Table of Projects marked "Authorized
19 Principal Amount of Bonds". Each such principal amount of Bonds is hereby determined to be
20 sufficient to complete at least a usable portion of the Authorized Capital Project in respect of
21 which such principal amount has been authorized. The probable useful lives of the Authorized
22 Capital Projects are set forth in the Table of Projects. The Bonds shall be made payable within
23 the average of the probable useful lives of the Authorized Capital Projects, which is Twenty-One
24 (21) years, or, in the event the Bonds are consolidated with other bonds of the County pursuant
25 to Section 3 of this Act, within the average of the probable useful lives of the capital projects
26 financed with the proceeds of such consolidated issue of bonds (the "Consolidated Authorized
27 Capital Projects"), subject to the maximum term determined by the Secretary of the Treasury of
28 the United States. The Bonds are hereby designated as qualified school construction bonds for
29 purposes of Section 54F of the Internal Revenue Code of 1986, as amended. All Authorized
30 Capital Projects have been identified and included in bond enabling acts ("Bond Enabling Acts")
31 and have been approved by referendum to the extent required by applicable law. The Bonds are

1 specifically exempted from the provisions of Sections 10 and 11 of Article 31 of the Annotated
2 Code of Maryland, as amended, replaced or recodified from time to time. The powers granted
3 under this Act are additional and cumulative and the Bonds authorized by this Act may be
4 issued, notwithstanding that Bond Enabling Acts or other bond acts or laws may provide for the
5 same or similar purposes. This Act does not modify or repeal any prior acts granting bond
6 issuing authority for the same or similar purposes.

7 SECTION 2. BE IT FURTHER ENACTED that the attached Table of Projects lists the
8 Authorized Capital Projects that are to be financed in whole or in part with the proceeds of the
9 Bonds, the currently estimated cost of each Authorized Capital Project or a usable portion
10 thereof (the "Estimated Cost"), the portion of the Estimated Cost of each Authorized Capital
11 Project to be financed hereunder (the "Bond Financed Portion"), the source or sources of funds to
12 finance the balance of the Estimated Cost of each Authorized Capital Project (the "Other
13 Funding Sources") and the probable useful life of each Authorized Capital Project.

14 It is hereby recognized and acknowledged that the information regarding the Estimated
15 Cost, Bond Financed Portion and Other Funding Sources for each Authorized Capital Project set
16 forth in the Table of Projects is derived from information and estimates referenced in the Capital
17 Budget and the related Capital Improvement Program of the County for the fiscal years 2011
18 through 2016, inclusive (the "Capital Improvement Program"), and is necessarily subject to
19 change because of corresponding changes in construction and other costs, project time schedules,
20 availability of Other Funding Sources and other circumstances not now known or anticipated. It
21 is the purpose and intent of this Act to authorize the borrowing of money to finance the
22 Authorized Capital Projects as such projects are referenced in the Capital Budget and Capital
23 Improvement Program and in any amended or subsequent capital budget or capital improvement
24 program. To implement the intent and purpose of this Act in the most expeditious manner, the
25 County Executive of the County (the "County Executive") may revise the amounts set forth in
26 the Table of Projects representing the Estimated Cost, Bond Financed Portion and Other Funding
27 Sources for any Authorized Capital Project to be consistent with the information set forth in
28 regard to such project in any amended or subsequent capital budget or capital improvement
29 program. In the event that the Bond Financed Portion for an Authorized Capital Project is less
30 than the amount appropriated for such project in the Capital Budget or any amended or
31 subsequent capital budget and the entire principal amount of bonds issued for the Consolidated

1 Authorized Capital Projects is not required for such projects, the County Executive may revise
2 the Table of Projects to increase the Bond Financed Portion of such Authorized Capital Project
3 to an amount not to exceed the appropriated amount for such project and, correspondingly, may
4 reduce the bond financed portion of such other Consolidated Authorized Capital Projects and
5 make other appropriate adjustments. Nothing contained in this Act shall be deemed to preclude
6 the County Council by resolution from effecting such a revision in the Table of Projects. The
7 authority granted in this Act to revise the Table of Projects shall not be construed to permit an
8 increase in the aggregate principal amount of Bonds to be issued pursuant to this Act or to effect
9 results inconsistent with the Charter of Prince George's County, Maryland, as amended, modified
10 or recodified from time to time (the "County Charter"), or other applicable laws; accordingly,
11 any such revision to the Table of Projects shall evidence that (i) the Bond Financed Portion of
12 each Authorized Capital Project is sufficient to complete at least a usable portion of such project,
13 (ii) the amount of all bonds authorized to be issued for such Authorized Capital Projects,
14 including the revised Bond Financed Portion, does not exceed the amount of bonds authorized by
15 the respective Bond Enabling Acts for such projects, and (iii) the Bonds are payable within the
16 average probable useful life of the Authorized Capital Projects or, if the Bonds are consolidated
17 with other bonds of the County pursuant to Section 3 of this Act, within the average probable
18 useful lives of the Consolidated Authorized Capital Projects.

19 The County expects that certain costs of the Authorized Capital Projects will be paid before
20 the date of issuance of the Bonds (or other obligations of the County to be issued after the date of
21 adoption of this Act) from a source of funds other than a County borrowing (each, a "Prior
22 Expenditure" and collectively, the "Prior Expenditures"). The County hereby declares, in
23 accordance with Section 54A(d)(2)(D) of the Internal Revenue Code of 1986, as amended, and
24 Section 1.150-2 of the Income Tax Regulations, its intention to use a portion of the proceeds of
25 the Bonds to reimburse itself for Prior Expenditures paid before the date of adoption of this Act.
26 The maximum principal amount of obligations expected to be issued for the Authorized Capital
27 Projects is set forth in the Table of Projects. The County recognizes that the use of proceeds of
28 the Bonds issued as qualified school construction bonds to reimburse the County for a Prior
29 Expenditure generally will be permitted only to the extent that: (i) the Prior Expenditure
30 constitutes a capital expenditure for federal income tax purposes; (ii) the Prior Expenditure was
31 paid not earlier than the date of adoption of this Act; and (iii) the allocation of proceeds of the

1 Bonds to such reimbursement is made not later than 18 months after the date the Prior
 2 Expenditure was paid. The County recognizes that the use of proceeds of the Bonds that are not
 3 qualified school construction bonds to reimburse the County for a Prior Expenditure generally
 4 will be permitted only to the extent that: (i) the Prior Expenditure constitutes a capital
 5 expenditure for federal income tax purposes; (ii) the Prior Expenditure was paid not earlier than
 6 60 days prior to the date of adoption of this Act; and (iii) the allocation of proceeds of the Bonds
 7 to such reimbursement is made not later than 18 months after later of (a) the date the Prior
 8 Expenditure was paid, or (b) the date the applicable Authorized Project is placed in service or
 9 abandoned, but in no even more than three years after the Prior Expenditure was paid.

10 SECTION 3. BE IT FURTHER ENACTED that as determined by the County Executive,
 11 the Bonds (or any portion of them, as applicable) may be issued, sold and delivered as a single
 12 series of Bonds or as two or more series of Bonds, or may be consolidated for issuance, sale and
 13 delivery with other bonds of the County (including bonds issued for new money and/or refunding
 14 purposes) as contemplated by Section 2C of Article 31 of the Annotated Code of Maryland, as
 15 amended, replaced or recodified from time to time. The Bonds of each series issued solely
 16 pursuant to the authority of this Act shall each be designated "Prince George's County, Maryland
 17 General Obligation Public Improvement Bonds, Series 20__," and the Bonds of each series
 18 consolidated for issuance with other bonds of the County as authorized by this Section 3 shall
 19 each be designated "Prince George's County, Maryland General Obligation Consolidated Public
 20 Improvement Bonds, Series 20__", and, in the event any such Bonds are issued at more than one
 21 time, the County Executive may specify such additional designation as he or she shall deem
 22 appropriate; provided that any Bonds issued as qualified school construction bonds shall contain
 23 the phrase "Qualified School Construction" in such designation. Moreover, the County
 24 Executive is hereby authorized to provide such other or alternative designation as he or she
 25 deems necessary or convenient.

26 SECTION 4. BE IT FURTHER ENACTED that, subject to and in accordance with the
 27 provisions of this Act, the County Executive shall determine all matters relating to the sale,
 28 issuance, delivery and payment of the Bonds, including all matters relating to the forms, dates
 29 and denominations of the Bonds, the principal maturity or maturities and/or sinking fund
 30 installments, the methods to be used in determining interest payable on the Bonds and the dates
 31 on which such interest is payable, the provision of bond insurance on all or any portion of the

1 Bonds, the designation of all or any portion of the Bonds as qualified school construction bonds
2 for purposes of Section 54F of the Internal Revenue Code of 1986, as amended, the election to
3 have Section 6431(f) of the Internal Revenue Code of 1986, as amended, apply to all or any
4 portion of the Bonds so that the County will receive Federal direct payments of allowances of
5 refundable tax credits with respect to such Bonds, and provisions for registration of the Bonds,
6 for their redemption prior to stated maturity, for the separation of the ownership of the Bonds
7 issued as qualified school construction tax credit bonds and the entitlement to the credit against
8 federal income tax under Sections 54A and 54F of the Internal Revenue Code of 1986, as
9 amended, and for the use of facsimile signatures or seals, whether the Bonds are to be issued in
10 book-entry form and all matters incident to the issuance of the Bonds in book-entry form. The
11 County Executive shall provide for the form, numbering, term and authentication of the Bonds
12 pursuant to Section 822 of the County Charter. The County Executive may provide that no
13 Bonds shall be issued for certain Authorized Capital Projects authorized by this Act to be
14 financed by the Bonds and to reduce the aggregate principal amount of Bonds to be issued
15 accordingly, provided, however, that the deletion of such Authorized Capital Projects shall not
16 cause the Bonds to be payable beyond the average of the probable useful lives of the remaining
17 Authorized Capital Projects. The County Executive may provide for a reduction in the aggregate
18 principal amount of Bonds to be issued consistent with a determination of the minimum bond
19 denomination size based on municipal security market practices regarding denomination size,
20 and for a corresponding reduction in the principal amount of Bonds issued to finance the cost of
21 any Authorized Capital Project, provided, however, that the principal amount of Bonds issued for
22 each such Authorized Capital Project after such reduction shall be sufficient to complete at least
23 a usable portion of each such Authorized Capital Project. It is hereby recognized and
24 acknowledged that, in order to manage prudently the capital programs of the County, particularly
25 in light of federal income tax laws and regulations that impose penalties and other financial
26 consequences for the failure to expend the proceeds of tax-exempt bonds in a timely manner, the
27 County Executive, pursuant to Section 3 of this Act, may provide for the financing of the Bond
28 Financed Portion of an Authorized Capital Project by the issuance of Bonds at more than one
29 time and from time to time. Notwithstanding the provisions of Sections 2, 3 and 4 of this Act, no
30 order of the County Executive permitted under this Act shall authorize or permit a reduction in
31 the principal amount of Bonds issued for an Authorized Capital Project below the amount for

1 which the County Council has authorized temporary borrowing from other County funds.

2 The aggregate principal amount of Bonds authorized to be issued hereunder may be
3 increased by a supplemental ordinance.

4 The County Executive may provide for certain maturities of the Bonds to be subject to prior
5 redemption at the option of the County. If the County Executive so provides and the Bonds are
6 issued with such option, then in the event that the County determines to exercise such option for
7 the purpose of effecting certain cost savings by refinancing a portion of the indebtedness
8 evidenced by the Bonds through the issuance and sale of refunding bonds, it is the intent of the
9 County that such refunding bonds be issued under the Enabling Acts referred to in this Act and
10 that such refunding bonds, if issued, shall constitute a refunding of indebtedness authorized by
11 this Act and shall not constitute additional indebtedness under such authority or under any other
12 authority.

13 SECTION 5. BE IT FURTHER ENACTED that the Bonds shall be sold at public or
14 private (negotiated) sale at, above or below par value, plus, if so determined by the County
15 Executive, accrued interest to the date of delivery. Private (negotiated) sale is hereby determined
16 to be appropriate to Bonds issued as qualified school construction tax credit bonds, and Bonds
17 which are not issued as qualified school construction bonds but are sold in an issue that includes
18 qualified school construction tax credit bonds.

19 Public sale shall be by electronic bids and/or written sealed proposals to the bidder or
20 bidders therefor for cash whose bid or bids are determined to be in the best interest of the
21 County, as provided in the Notice of Sale for the Bonds, after having given public notice of sale
22 by electronic dissemination and/or advertisement as provided here. Unless contrary to applicable
23 law, the Notice of Sale may be disseminated solely by electronic means provided that bidders
24 may submit electronic bids to purchase the Bonds, any such electronic dissemination of the
25 Notice of Sale to be available to potential bidders seven (7) days or more prior to the date of sale
26 or such shorter period of time as is then customary for electronic dissemination of notices of sale
27 of municipal obligations in the nature of the Bonds. Alternatively or additionally, the Notice of
28 Sale, or a summary thereof, may be published once in each of two consecutive weeks next
29 preceding the date of sale of the Bonds in the County newspapers of record, and in the event any
30 single newspaper of record meets the circulation requirements of Section 1008 of the County
31 Charter, as amended, modified or recodified from time to time, such publication may be made

1 solely in such single newspaper of record. The first of such publications shall be ten (10) or
2 more days preceding the date of sale of the Bonds. Such Notice of Sale, or a summary thereof,
3 may also be published in "The Bond Buyer", a financial journal published in the City of New
4 York and/or in such other publications as the Director of Finance may determine to be in the best
5 interest of the County. The Bonds offered for sale at such public sale shall be awarded by the
6 County Executive. Authority is hereby expressly delegated to the County Executive to fix the
7 date and time of the sale of the Bonds. The sale of the Bonds shall be held in a County
8 Executive Conference Room in the County Administration Building in Upper Marlboro,
9 Maryland, or in such other place as may be designated in accordance with the Notice of Sale for
10 the Bonds.

11 With respect to each series of Bonds sold by private (negotiated) sale, authority is hereby
12 conferred on the County Executive to take the following actions and make the following
13 commitments on behalf of the County:

14 (a) to sell such series of Bonds upon such terms as he or she deems favorable under the
15 existing market conditions to one or more banks, investment banking firms or other financial
16 institutions that, in such official's judgment, offers to purchase such series of Bonds on terms
17 such official deems favorable to the County under the existing market conditions;

18 (b) to approve, execute and deliver, as a binding and enforceable obligation of the County,
19 an underwriting or purchase agreement for any series of Bonds issued pursuant to this Act;

20 (c) after considering any recommendations of the financial advisor to the County, if any, to
21 fix and determine the date of any such series of Bonds, the maturity or schedule of annual
22 maturities and/or sinking fund installments of any such series, the interest rate to be borne by the
23 Bonds of each maturity of any such series, the amount of any such series, and all matters relating
24 to the provision of bond insurance, if any, on all or any portion of the Bonds.

25 SECTION 6. BE IT FURTHER ENACTED that there may be printed on each of the Bonds
26 the text of the approving legal opinion of bond counsel or co-bond counsel with respect to such
27 Bonds. Any such printed text shall be certified to be a correct copy of said opinion by the
28 manual or facsimile signature of the County Executive.

29 The Bonds shall contain similar provisions and be in substantially the form set forth in
30 Attachment 2, attached hereto and made a part hereof, and Bonds issued substantially in
31 accordance with said form, with appropriate insertions or deletions as indicated, when properly

1 | executed and authenticated as required by this Section shall be deemed to constitute
2 | unconditional general obligations of the County, to the payment of which, in accordance with the
3 | terms thereof, its full faith and credit are pledged, and all the covenants and conditions contained
4 | in the Bonds shall be deemed to be binding upon the County. Authority is hereby conferred on
5 | the County Executive to complete, delete or modify the blanks in such bond form with necessary
6 | information, to insert applicable paragraphs as indicated or needed and to make such additions,
7 | deletions and substitutions in such bond form, not inconsistent with this Act or the County
8 | Charter or the Internal Revenue Code of 1986, as amended, as may be necessary or desirable for
9 | the sale of the Bonds, including (without limitation) such additions, deletions and substitutions as
10 | may be necessary or desirable in connection with the separation of the ownership of Bonds
11 | issued as qualified school construction tax credit bonds and the entitlement to the credit against
12 | federal income tax under Sections 54A and 54F of the Internal Revenue Code of 1986, as
13 | amended, and the establishment or discontinuance of a book-entry registration system for the
14 | Bonds and/or the entitlement to said credit.

15 | SECTION 7. BE IT FURTHER ENACTED that immediately after a public sale of the
16 | Bonds, the interest rate or rates payable on the Bonds shall be fixed by an order of the County
17 | Executive (the authority to fix such rates being hereby expressly delegated to said County
18 | Executive) in accordance with the respective terms and conditions of the sale of the Bonds.

19 | SECTION 8. BE IT FURTHER ENACTED that the official Notice of Sale and Bid for the
20 | Bonds shall be substantially in the form set forth in Attachment 3 attached hereto and made a
21 | part hereof, with such insertions or deletions as the County Executive may determine to be
22 | desirable to allow for the use of electronic bidding or due to financial or market conditions or as
23 | otherwise permitted or required by this Act, including but not limited to changes appropriate in
24 | the event that the Bonds are to be registered in book-entry format.

25 | SECTION 9. BE IT FURTHER ENACTED that the County Executive may authorize on
26 | behalf of the County the preparation and distribution of a preliminary official statement and a
27 | final official statement or similar offering documents in connection with the issuance and sale of
28 | the Bonds.

29 | SECTION 10. BE IT FURTHER ENACTED that the County Council hereby determines that the
30 | Bonds are at present within the debt limit imposed by Section 5(P) of Article 25A of the Annotated
31 | Code of Maryland, as amended, replaced or recodified from time to time (the "Express Powers Act").

1 The County is authorized under the Express Powers Act to undertake borrowings for any public
 2 purposes of the County, provided that the aggregate amount of bonds or other evidences of indebtedness
 3 therefor outstanding at any one time shall not exceed a total of six percent (6%) of the County's
 4 assessable basis of real property and fifteen percent (15%) of the County's assessable basis of personal
 5 property and operating real property described in Section 8-109(c) of the Tax-Property Article of the
 6 Annotated Code of Maryland, as amended, replaced or recodified from time to time, as shown below:

7	Assessable basis of taxable real property	
8	(Fiscal Year 2011)	\$100,955,981,000
9	Assessable basis of taxable personal property	
10	and operating real property (Fiscal Year 2011)	\$ 2,898,066,000
11	Statutory debt limitation - (total sum of 6%	
12	of real property assessable basis and 15%	
13	of personal property/operating real property	
14	assessable basis)	\$ 6,492,068,760
15	Outstanding debt subject to debt limitation	\$ 705,280,978
16	Limit on additional debt	\$ 5,786,787,782
17	Aggregate principal amount of Bonds	\$ 25,825,000
18	Aggregate principal amount of general	
19	obligation debt authorized by other	
20	acts and not issued (excluding Bonds	\$ 1,209,117,000
21	authorized by this Act)	
22	Total principal amount of general	
23	obligation debt authorized and	
24	not issued (including the Bonds)	\$ 1,234,939,000

25 SECTION 11. BE IT FURTHER ENACTED that the proceeds of the sale of the Bonds
 26 shall be paid directly to the Director of Finance of the County, who shall deposit the same in the
 27 proper accounts of the County. The cost of marketing the Bonds shall be the pro rata part of the
 28 cost of advertising, printing, legal services, any financial services, rating agencies fees and other
 29 related expenditures (including, without limitation, any bond insurance premiums payable by the
 30 County), as may be determined by apportioning the aggregate amount of the cost of such
 31 advertising, printing, legal services, financial advisory services, rating agency fees and other

1 related expenditures among the issue of Bonds and the issues of bonds authorized by other Acts
2 or Ordinances and consolidated for sale with the issue of the Bonds, in the proportion to each
3 issue the amount for which each issue may be sold shall bear to the total amount received for all
4 of the issues so consolidated for sale. Such costs of issuance shall be allocated to the Authorized
5 Capital Projects financed by the Bonds and shall be charged to the appropriate debt service
6 accounts of the County by the Director of Finance. The balance of the proceeds of the sale of the
7 Bonds shall be expended by the County for costs of the Authorized Capital Projects for which
8 Bonds have been issued in accordance with this Act. If the principal amount of Bonds issued for
9 any Authorized Capital Project exceeds the amount needed to finance such Authorized Capital
10 Project, the excess shall be applied to any other Authorized Capital Project for public school
11 facilities.

12 Unless otherwise provided by act or resolution of the County Council or by the County
13 Executive pursuant to Section 14 of this Act, earnings derived from the investment of the
14 proceeds of the Bonds may be treated as general revenues of the County and applied to general
15 County purposes and such use of investment proceeds is hereby acknowledged and authorized.

16 SECTION 12. BE IT FURTHER ENACTED that, for the purpose of redeeming and
17 paying the Bonds as they mature or become subject to mandatory redemption, the County shall
18 include in the levy in each and every fiscal year during which any of the Bonds are outstanding
19 ad valorem taxes upon all the legally assessable property within the corporate limits of the
20 County in rate and amount sufficient to provide for the payment, when due, of the principal of
21 and interest on all of the Bonds due in each such fiscal year; and in the event the proceeds from
22 taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes
23 shall be levied, to the extent authorized by law, in succeeding fiscal years to make up such
24 deficiency. The County may apply to the payment of the principal of and interest on the Bonds
25 any funds received by it from the State of Maryland, the United States of America, or any agency
26 or instrumentality thereof, or from any other source, if such funds are granted for the purpose of
27 assisting the County in obtaining public facilities of the class or classes of public facilities for
28 which the Bonds, or the respective portions of the Bonds, are authorized or may be otherwise
29 lawfully applied to such payment; to the extent that any such funds are applied to such purposes
30 in any fiscal year as provided herein, the taxes hereby required to be levied shall be reduced
31 proportionately.

1 The full faith and credit of the County and the taxing power of the County are hereby
 2 irrevocably pledged both to the punctual payment of the maturing principal of and interest on the
 3 Bonds as and when such principal and interest become due, and to the levy and collection of the
 4 taxes hereinabove prescribed as and when such taxes become necessary in order to provide
 5 sufficient funds to meet the debt service requirement of the Bonds. The County hereby solemnly
 6 covenants with each of the registered owners of any of the Bonds to take all action as may be
 7 appropriate from time to time during the period that any of the Bonds remain outstanding and
 8 unpaid to provide the funds necessary to make the principal and interest payments on the Bonds.
 9 The debt service requirements of the Bonds shall have a first and prior claim on all moneys of
 10 the General Fund of the County on a parity with the claim for moneys required for payment of
 11 debt service on all other County general obligation indebtedness whether issued prior to or after
 12 the issuance of the Bonds; it is recognized, however, that some outstanding general obligation
 13 bonds of the County constitute a pledge of the unlimited taxing power of the County. The
 14 County further covenants and agrees with each of the registered owners of any of the Bonds to
 15 levy and collect the taxes hereinabove prescribed.

16 SECTION 13. BE IT FURTHER ENACTED that in the event any official of the County
 17 whose signature shall appear on any Bonds or on other instruments or documents pertaining
 18 thereto, shall cease to be such official prior to the delivery of the Bonds or other instruments or
 19 documents, or in the event that any official shall take office subsequent to the sale of the Bonds,
 20 his or her signature shall nevertheless be valid, sufficient and binding for the purposes herein
 21 intended.

22 SECTION 14. BE IT FURTHER ENACTED that the County Executive shall be the officer
 23 of the County responsible for the issuance of any Bonds within the meaning of the "arbitrage
 24 regulations" (defined below).

25 The County Executive shall be the officer of the County responsible for the execution and
 26 delivery (on the date of issuance of the Bonds) of a certificate of the County (the "Tax
 27 Certificate") which complies with the requirements of Sections 54A, 54F, 6431 and 148 of the
 28 Internal Revenue Code of 1986, as amended ("Sections 54A, 54F, 6431 and 148"), and the
 29 applicable regulations under Section 148 (the "arbitrage regulations"), and such official is hereby
 30 directed to execute the Tax Certificate and to deliver the same to bond counsel or co-bond
 31 counsel on the date of the issuance of the Bonds.

1 The County shall set forth in the Tax Certificate its reasonable expectations as to relevant
2 facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any
3 moneys, securities or other obligations on deposit to the credit of any account of the County
4 which may be deemed to be proceeds of the Bonds pursuant to Sections 54A, 54F, 6431 and 148
5 or the arbitrage regulations (collectively, "Bond Proceeds"); and the expenditure of 100 percent
6 of available project proceeds of the qualified school construction bonds within the three-year
7 period beginning on the date of issuance of the Bonds, the binding commitment to spend at least
8 10 percent of available project proceeds within six months beginning on the date of issuance of
9 the Bonds, and the redemption of nonqualified bonds to the extent that less than 100 percent of
10 available project proceeds are expended by the end of the three-year period. The County
11 covenants that the facts, estimates and circumstances set forth in the Tax Certificate will be
12 based on the County's reasonable expectations on the date of issuance of the Bonds and will be,
13 to the best of the certifying official's knowledge, true and correct as of that date. The County
14 shall also set forth in the Tax Certificate any elections provided for or permitted under the
15 provisions of the Internal Revenue Code of 1986, as amended, that the official executing the Tax
16 Certificate deems advisable.

17 The County covenants with each of the registered owners of any of the Bonds that it will
18 not make, or (to the extent that it exercises control or direction) permit to be made, any use of the
19 Bond Proceeds which would cause the Bonds to be "arbitrage bonds" within the meaning of
20 Sections 54A, 54F, 6431 and 148 and the arbitrage regulations. The County further solemnly
21 covenants that it will comply with Sections 54A, 54F, 6431 and 148 and the regulations
22 thereunder which are applicable to the Bonds on the date of issuance thereof and which may
23 subsequently lawfully be made applicable thereto as long as the Bonds remain outstanding and
24 unpaid. The County Executive is hereby authorized and directed to prepare or cause to be
25 prepared and to approve and execute, respectively, any certification, opinion or other document,
26 including (without limitation) the Tax Certificate, which may be required to assure that the
27 Bonds will not be deemed to be "arbitrage bonds" within the meaning of, and will otherwise
28 comply with the requirements of, Sections 54A, 54F, 6431 and 148 and the regulations
29 thereunder, including a certification that conflict of interest requirements and rules are satisfied
30 with respect to the Bonds.

31 The County Executive may make such covenants or agreements in connection with the

1 issuance of such Bonds as he or she shall deem advisable in order to assure the registered owners
2 of such Bonds issued as qualified school construction tax credit bonds that such owners shall be
3 allowed as a credit against federal income tax the credits determined under Section 54A of the
4 Internal Revenue Code of 1986, as amended, and such covenants or agreements shall be binding
5 on the County so long as the observance by the County of any such covenants or agreements is
6 necessary in connection with the maintenance of such credit. The foregoing covenants and
7 agreements may include such covenants or agreements on behalf of the County regarding
8 compliance with the provisions of the Internal Revenue Code of 1986, as amended, as the
9 County Executive shall deem advisable in order to assure the registered owners of such Bonds
10 issued as qualified school construction tax credit bonds of the allowance of such credit, including
11 (without limitation) covenants or agreements relating to the investment of Bond Proceeds, the
12 payment of certain earnings resulting from such investment to the United States (or certain
13 payments in lieu thereof as provided in the Internal Revenue Code of 1986, as amended),
14 limitations on the times within which, and the purpose for which, Bond Proceeds may be
15 expended, the use of specified procedures for accounting for and segregating Bond Proceeds, or
16 the submission to the Secretary of the Treasury of the United States a report regarding the
17 issuance of the Bonds. Any covenant or agreement made pursuant to this paragraph may be set
18 forth in the Tax Certificate.

19 SECTION 15. BE IT FURTHER ENACTED that the County Executive is hereby
20 authorized to select and appoint a bank or other financial institution to act as paying agent for the
21 payment of the principal and redemption price, if any, on the Bonds and to act as registrar for the
22 Bonds. The selection of the paying agent and bond registrar shall be accomplished in accordance
23 with applicable provisions of law. In the event that the Bonds are issued in book-entry form, the
24 County Executive may determine that a bond registrar and paying agent need not be designated
25 or that the County shall act as bond registrar and paying agent.

26 SECTION 16. BE IT FURTHER ENACTED that the powers granted by this Act are
27 additional and cumulative and the Bonds authorized by this Act may be issued, notwithstanding
28 that the General Obligation Act or other bond acts or laws may provide for the issuance of other
29 bonds or the borrowing of money for the same or similar purposes on the same or other terms
30 and conditions. This Act shall be liberally construed to effectuate its purposes, namely, to
31 authorize the borrowing of money and the incurring of indebtedness to finance the Authorized

1 Capital Projects set forth in this Act. Provisions of this Act shall be deemed met and satisfied if
2 there is substantial compliance with such provisions. This Act is not intended to provide or
3 imply that this Act or any prior act not containing a similar provision precludes the County from
4 exercising any power or prerogative provided by this Act or any other law whether exercised
5 solely pursuant to such other law or in conjunction with the powers provided by this Act so that,
6 without limiting the generality of this Section, the County may exercise the power to issue (i)
7 bond anticipation notes (in anticipation of the issuance of bonds pursuant to this Act or
8 otherwise) and grant anticipation notes pursuant to Section 12 of Article 31 of the Annotated
9 Code of Maryland, as amended, replaced or recodified from time to time, (ii) bonds (or any
10 related bond anticipation or other notes) authorized by Sections 14-201 to 14-214, inclusive, of
11 Article 41 of the Annotated Code of Maryland, as amended, replaced or recodified from time to
12 time, and (iii) interest-bearing general obligation bonds; and in exercising such powers, the
13 County may sell such notes or bonds at public or private (negotiated) sale as authorized by these
14 or any other applicable laws.

15 SECTION 17. BE IT FURTHER ENACTED that, pursuant to Section 30 of Article 31 of
16 the Annotated Code of Maryland, as amended, replaced or recodified from time to time (the
17 "Registration Statute"), the Bonds issued hereunder may be issued in "registered form" within
18 the meaning of the Registration Statute, as may be determined by the County Executive, who
19 may determine, approve or authorize the selection of trustees, transfer agents, registrars, paying
20 or other agents, a custodian for a central depository or book-entry system and appropriate
21 agreements with any of the foregoing and such other matters not inconsistent with this Act
22 necessary or deemed appropriate in connection with the issuance of the Bonds in "registered
23 form" within the meaning of the Registration Statute.

24 SECTION 18. BE IT FURTHER ENACTED that, the County Executive is hereby
25 authorized, on behalf of the County, to make such undertakings, covenants or agreements for the
26 benefit of the holders of the Bonds with regard to secondary market disclosure as shall be
27 necessary or appropriate to comply with the provisions of Securities and Exchange Commission
28 Rule 15c2-12, as amended, modified or replaced from time to time ("SEC Rule 15c2-12"). Such
29 authority shall include (without limitation) the power to approve and enter into continuing
30 disclosure or dissemination agreements with any third party; the power to amend or modify any
31 such undertakings, covenants, agreements, or continuing disclosure or dissemination agreements,

1 to the extent permitted by SEC Rule 15c2-12; and the power to provide for the insertion of a
2 description regarding any such secondary market disclosure covenants or agreements in any
3 applicable notice of sale, bond purchase agreement or other purchase contract, and any
4 preliminary or final official statement, offering circular, official circular or similar offering
5 document. Such undertakings, covenants or agreements shall be binding upon the County and
6 the County hereby covenants and agrees to abide by any such undertakings, covenants or
7 agreements made in accordance with this Section for the benefit of the holders of the Bonds.

8 SECTION 19. BE IT FURTHER ENACTED that, to the extent applicable, Sections 812
9 and 813 of the Charter shall apply to the taxes levied as provided in this Act so long as such
10 Sections shall remain in effect.

11 SECTION 20. BE IT FURTHER ENACTED that, to the extent that the Bonds are not
12 issued for purposes of financing the Authorized Capital Projects, the County Executive is
13 authorized to take the actions necessary to determine the structure of any sale and leaseback of
14 the Authorized Capital Projects to either the Industrial Development Authority of Prince
15 George's County, the Revenue Authority of Prince George's County, or any public
16 instrumentality of the County or of the State of Maryland that best serves the needs and public
17 purposes of the County, including whether interests in the leaseback are offered on a tax-exempt
18 or taxable basis, or as qualified school construction bonds, giving consideration to a multitude of
19 factors including (without limitation) disposition price, term of years offered for any leaseback
20 (including any renewal terms, options to terminate, or options to purchase, if applicable), lease
21 payment amounts, operating and maintenance expenses that would be the responsibility of the
22 County, on going fees and charges in connection with any offering of participation interests in
23 any leaseback to the County, and whether or not the remaining economic life of the Authorized
24 Capital Projects upon expiration of the stated term of the leaseback (and any renewal terms)
25 would be such that acquisition of title to the Authorized Capital Projects by the County or the
26 Prince George's County Board of Education upon such expiration would continue to serve a
27 public purpose of the County or the Prince George's County Board of Education, and to
28 effectuate and consummate the transactions contemplated in the recitals to this Act with respect
29 to the Authorized Capital Projects that is in the best interests of the County.

30 The appropriate officials of the County are hereby authorized and directed to prepare or
31 provide for the preparation of, and the publication of, any notices required by Article 25A,

1 Section 5(B) of the Annotated Code of Maryland, as amended, in connection with the sale and
 2 leaseback of the Authorized Capital Projects; and to negotiate and enter into such agreements
 3 with the Prince George's County Board of Education and with such public instrumentalities as
 4 are in the best interest of the County in financing the Authorized Capital Projects.

5 SECTION 21. BE IT FURTHER ENACTED that any and all determinations, approvals,
 6 authorizations, decisions, undertakings, specifications, covenants, agreements or provisions (by
 7 whatever terminology so specified) authorized to be made by the County Executive pursuant to
 8 the provisions of this Act shall be made by order of the County Executive unless otherwise
 9 expressly provided herein; provided that, unless contrary to the provisions of the County Charter
 10 or other applicable law, the County Executive is hereby expressly authorized to delegate by order
 11 to such official or officials designated in such order the power to make any such determinations,
 12 approvals, authorizations, decisions, undertakings, specifications, covenants, agreements or
 13 provisions or other matters and the manner in which to evidence the same. In addition, unless
 14 contrary to the provisions of the County Charter or other applicable law, the County Executive is
 15 hereby authorized by order to delegate to one or more appropriate County officials the authority
 16 granted to the County Executive by this Act to sign any documents, certificates or instruments,
 17 or to specify that one or more appropriate County officials in addition to the County Executive
 18 shall sign any such documents, certificates or instruments.

19 SECTION 22. BE IT FURTHER ENACTED that if any one or more of the provisions of
 20 this Act, including any covenants or agreements provided herein on the part of the County to be
 21 performed, should be contrary to law, then such provision or provisions shall be null and void
 22 and shall in no way affect the validity of the other provisions of this Act or of the Bonds.

23 SECTION 23. BE IT FURTHER ENACTED that the provisions of this Act are hereby
 24 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
 25 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
 26 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining
 27 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
 28 Act, since the same would have been enacted without the incorporation in this Act of any such
 29 invalid or unconstitutional word, phrase, clause, sentence, subparagraph, subsection, or section.

30 [SECTION 24. BE IT FURTHER ENACTED that in accordance with the provisions of
 31 Section 317 of the Charter, the County Council hereby declares that a public emergency exists

1 affecting the public health, safety, and welfare; said emergency being the County's immediate
2 need to take advantage of the federal allocation to the Prince George's County Public Schools of
3 Twenty-Five Million One Hundred Two Thousand Dollars (\$25,102,000) of qualified school
4 construction bond volume cap in calendar year 2010 in order to achieve savings in the cost of
5 debt service.

6 SECTION 25. BE IT FURTHER ENACTED that this Act shall take effect on the date it
7 becomes law.]

8 SECTION 24. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
9 calendar days after it becomes law.

Adopted this 13th day of July, 2010.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Thomas E. Dernoga
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Jack B. Johnson
County Executive

Note: Attachment 1 is available in hard copy only and as an Inclusion File in LIS

**ATTACHMENT 2
FORM OF BOND**

REGISTERED UNITED STATES OF AMERICA REGISTERED
STATE OF MARYLAND

No. R-_____ \$ _____

PRINCE GEORGE’S COUNTY, MARYLAND
GENERAL OBLIGATION CONSOLIDATED PUBLIC IMPROVEMENT [TAX EXEMPT
BOND]
[TAXABLE QUALIFIED SCHOOL CONSTRUCTION BOND (TAX CREDIT
BOND/DIRECT PAYMENT TO ISSUER)], SERIES 200_

Credit Rate (Per Annum)	Interest Rate (Per Annum)	Maturity Date	Original Issue Date	CUSIP Number
____%	____%	_____	_____	_____

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

Prince George’s County, Maryland (the “County”), a political subdivision and a body corporate and politic of the State of Maryland, hereby acknowledges itself indebted for value received and promises to pay to the Registered Owner shown above or registered assigns on the Maturity Date shown above the Principal Amount shown above or so much thereof as shall not have been paid upon prior redemption and to pay interest thereon at the Interest Rate shown above. Principal shall be paid by wire or check as determined by the County upon presentation and surrender of this Bond on the date such principal is payable or if such date is not a County Business Day (hereinafter defined) then on the next succeeding County Business Day at the Office of the Director of Finance of the County (the “Paying Agent”). The interest payable on this Bond, and punctually paid or duly provided for on any interest payment date, will be paid semiannually in each year commencing __, 2011 or if such date is not a County Business Day (hereinafter defined) then on the next succeeding County Business Day to the person in whose name this Bond is registered on the registration books (the “Bond Register”) maintained by the Bond Registrar (hereinafter named) as of the close of business on the Regular Record Date which shall be the [first day of the month in which such interest payment date occurs]. Payments of the interest on this Bond shall be by wire or check as determined by the County to such person’s address as it appears on the Bond Register. Any such interest not punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered as of the close of business on a date to be fixed by the Bond Registrar for the payment of such defaulted interest (the “Special Record Date”), notice of such payment date and the Special Record Date therefore being given by letter mailed first class, postage prepaid, to the Registered Owner of such Bond not less than ten (10) days prior to such Special Record Date, at the address of such Registered Owner appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this

issue may be listed and upon such notice as may be required by such exchange. Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Original Issue Date shown above.

“County Business Day” means any date of the year on which (i) banking institutions in New York, New York or in Maryland are not authorized or obligated by law to remain closed or on which the New York Stock Exchange is not closed or (ii) the offices of the County are not authorized or obligated by law or required by an executive order of the County Executive to be closed.

All payments of the principal of, and redemption price on this Bond shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized issue of general obligation bonds of the County, designated “Prince George’s County, Maryland General Obligation Consolidated Public Improvement [Tax Exempt Bonds] [Taxable Qualified School Construction Bonds (Tax Credit Bond/Direct Payment to Issuer)] Series _____,” all dated _____, 200_, and all of like tenor and effect except as to numbers, denominations, maturities and option of redemption. The Bonds are issued under the authority of Article 25A of the Annotated Code of Maryland, as amended, the Charter of Prince George’s County, Maryland (the “County Charter”), Council Bill CB-_____ (collectively, the “Authorization Ordinance”), the bond enabling acts cited in the Authorization Ordinance (the “Enabling Acts”) and the Executive Orders of the County Executive (the “Executive Orders”), including Executive Order No. __-200_ and Executive Order No. __-200_. The terms of the Bonds include those stated in the Authorization Ordinance and Executive Orders, and the Bonds are subject to all such terms. The Registered Owner of this Bond is referred to the Authorization Ordinance and the Executive Orders for a complete statement of such terms, to which the Registered Owner hereof, by acceptance of this Bond, assents.

[This Bond is a tax credit bond issued as a “qualified school construction bond” as defined in Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a principal component (the “Principal Component”) and a component relating to tax credits for qualified school construction bonds (the “Tax Credit Component”). So long as the ownership of the Principal Component and the Tax Credit Component of this Bond have not been separated, the owner of this Bond may be eligible to receive tax credits determined at the Tax Credit Rate set forth above in accordance with Section 54A of the Code.

To the extent permitted under the Code and applicable law, registered owners of the Bonds may separate the ownership of the Principal Component and the Tax Credit Component of this Bond. Upon any such separation, the Principal Component and the Tax Credit Component will be evidenced by principal strip certificates (the “Principal Strip Certificates”) and tax credit certificates (the “Tax Credit Certificates”), respectively, each of which will be separately registered by the Paying Agent. In addition, to the extent permitted under the Code and applicable law, the registered owner of a Principal Strip Certificate and the requisite number of Tax Credit Certificates may recombine such Principal Strip Certificate and Tax Credit Certificates into non-separated bonds.

The Bonds, the Principal Strip Certificates and the Tax Credit Certificates, are subject to extraordinary mandatory redemption, in whole or in part, on ____, or, in the event of an extension negotiated with the Internal Revenue Service, on a Tax Credit Allowance Date that occurs on or before ____, in authorized denominations, at a redemption price equal to the principal amount of the Bonds to be redeemed, in an amount computed by reference to the unexpended proceeds of the Bonds, allocated in accordance with the provisions of the Executive Orders. Notice of redemption will be mailed, postage prepaid, to the registered owners of Bonds, Principal Strip Certificates and Tax Credit Certificates to be redeemed at least thirty (30) days prior to the redemption date, at the addresses of such holders appearing on the registration books kept by the Paying Agent; *provided*, however, that the failure to receive such notice or any defect in the notice given shall not affect the validity of the redemption proceedings.

When notice of redemption has been given as described above, and when the redemption price of the Bonds, Principal Strip Certificates and Tax Credit Certificates called for redemption is set aside for such purpose, the Bonds, Principal Strip Certificates and Tax Credit Certificates designated for redemption will become due and payable on the specified redemption date. The registered owners of such Bonds, Principal Strip Certificates and Tax Credit Certificates so called for redemption after such redemption date will look for the payment of such Bonds, Principal Strip Certificates, and Tax Credit Certificates only to the escrow fund established for such purpose.

The Bonds shall be converted, in whole or in part, into Interest Bearing Bonds following a Determination of Loss of Qualified School Construction Bond Status, requiring the County to make cash payments of interest thereon to the registered owners thereof as provided in the Executive Orders.

In addition, in the event that any Tax Credits [with respect to Tax Credit Allowance Dates occurring on or](#) prior to the [Tax Credit Conversion](#) Date are determined to be ineligible as Tax Credits as a result of the Determination of Loss of Qualified School Construction Bond Status, the County shall pay to the Owners (as of the applicable Tax Credit Allowance Dates for such disallowed Tax Credits) of the Bonds or Tax Credit Certificates, as appropriate, an amount equal to the amount of such disallowed Tax Credits, plus interest thereon from the applicable Tax Credit Allowance Date to the date of payment, compounded quarterly at the rates equal to the large corporate underpayment rates determined from time to time by the IRS during such interest compounding period to be paid on or before the __, __, or __ following the next succeeding __ after the Date of Determination of Loss of Qualified School Construction Bond Status (the "Disallowance Payment").]

The Bonds maturing in any one year are issuable in fully registered form, in denominations of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount maturing in such year.

When first issued, the Bonds of said issue will be numbered consecutively upward in the order of the maturities, but not necessarily continuously consecutively, from No. 1 prefixed by

the letter “R”. Said Bonds mature and are payable on _____ in the following years and aggregate amounts:

_____	Principal Amount (\$)	Interest Rate (%)
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		

The County will provide services as Bond Registrar to open books for the registration and for the transfer of registered Bonds (the “Bond Register”). This Bond will be transferable only upon the Bond Register kept at the Office of the Director of Finance of the County by the Registered Owner in person, or by his or her attorney duly authorized in writing, upon surrender together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar duly executed by the Registered Owner or duly authorized attorney.

This Bond may be transferred or exchanged at the office of the Bond Registrar. Upon any such transfer or exchange, the County shall issue a new registered Bond or Bonds of any of the authorized denominations in aggregate principal amount equal to the principal amount of the Bond transferred or exchanged or the unredeemed portion thereof, and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by the Registered Owner of this Bond requesting exchange or transfer hereof of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the Registered Owner hereof for such exchange or transfer. Said new Bond or Bonds will be delivered to the transferee only after due authentication thereof by any authorized signatory of the Bond Registrar. The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of a notice calling such Bond for redemption has been made, or during the period of fifteen (15) days next preceding mailing of a notice of redemption.

The County may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and for all other purposes.

To the extent that less than 100 percent of available project proceeds of the Bonds are expended by the third anniversary of the Original Issue Date set forth above, or such later date to which such period may be extended by the Secretary of the Treasury of the United States (if such extension is requested by the County), the Bonds shall be redeemed within 90 days following such date at a redemption price equal to 100 percent of the principal amount of the Bonds or portions thereof to be redeemed.

If fewer than all of the Bonds shall be called for redemption, [the particular maturities of the Bonds or portions thereof to be redeemed shall be selected by the County. If fewer than all of the Bonds of any maturity shall be called for redemption,] the particular Bonds or portions of Bonds to be redeemed shall be selected by lot or in such manner as the Bond Registrar and Paying Agent, at its discretion, may deem proper.

When less than all of a registered Bond in a denomination in excess of \$_,000 shall be so redeemed, then, upon the surrender of such Bond, there may be issued to the Registered Owner thereof, without charge, for the unredeemed balance of the principal amount of such Bond, at the option of such Registered Owner, registered Bonds in any of the authorization denominations, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the registered Bond so surrendered, and to mature on the same date as said unredeemed balance.

If, in accordance with the foregoing option, the County elects to redeem all outstanding Bonds, or less than all, it will give notice described herein of its intention to redeem by letter mailed first class, postage prepaid, to the Registered Owners of such Bonds at least thirty (30) days prior to the date fixed for such redemption, at the addresses of such Registered Owners appearing on the Bond Register kept by the Bond Registrar; provided, however, that the failure to mail such notice or any defect in the notice so mailed, or in the mailing thereof shall not affect the validity of the proceedings for the redemption of the Bonds for which notice was properly given. Said notice shall state for all Bonds being redeemed: the maturity date, certificate numbers, redemption date, redemption price, the address of the office of the Bond Registrar and Paying Agent with a contact person and telephone number, whether the Bonds are being redeemed in whole or in part and shall require that the Bonds so called be presented for redemption and payment at the office of the Paying Agent.

Upon presentment and surrender in compliance with said notice, the Bonds so called for redemption shall be paid by the Paying Agent at the redemption price plus any accrued interest. If not so paid on presentment thereof, said Bonds so called shall continue to bear interest at the rates expressed therein until paid. All Bonds redeemed and paid hereunder will be canceled.

Registration Under DTC Book - Entry Only System

Initially, the bonds are to be delivered and registered under the book-entry only system maintained by The Depository Trust Company, New York, New York ("DTC"). Notwithstanding anything to the contrary contained in this bond, for so long as the bonds are registered under the book-entry only system maintained by DTC, all references to the Registered Owner or Owners of the bonds shall mean DTC or its partnership nominee, Cede & Co., or any successor thereto, and the manner and timing for making payments, giving notices, voting and

selecting bonds for redemption shall be governed by agreement between DTC and the County. The County may determine to replace DTC with a replacement securities depository at any time, in which event such replacement securities depository or its nominee shall be deemed to be the Registered Owner or Owners of all the bonds, and the manner and timing for making payments, giving notices, voting and selecting the bonds for redemption shall be governed by agreement between such replacement securities depository and the County. In addition, DTC may determine to discontinue its services as a securities depository or the County may determine to discontinue a system of book-entry only registration of the bonds, in which event bonds will be delivered in authorized denominations of \$5,000 and integral multiples thereof to or at the direction of participants of the then existing securities depository.

The full faith and credit and taxing power of Prince George's County, Maryland are hereby irrevocably pledged to the payment of the principal of this Bond and of the interest payable hereon. To provide for the payment of this Bond, the County is empowered and directed to levy ad valorem taxes upon all the legally assessable property within the corporate limits of the County; such tax levy is subject, however, to the limitation set forth in Section 812 and Section 813 of the County Charter. Section 812 provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the County] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and forty cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value." Section 813 provides that any ordinance or resolution levying or charging taxes or certain fees in excess of the amount levied in the preceding fiscal year shall be referred to a referendum of the qualified voters of the County.

The principal of and interest on this Bond is payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered and directed to levy, subject to said Section 812 and Section 813 limitations, upon all the legally assessable property within the corporate limits of the County. The County has covenanted, subject to said Section 812 and Section 813 limitations, to levy said ad valorem taxes in rate and amount sufficient for such payment in each fiscal year in which provision must be made for the payment of such principal and interest and in the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such payment, to levy additional taxes, subject to said limitation, in succeeding fiscal years to make up such deficiency.

[A portion of the Bonds is being issued for public school facilities. The principal of and interest on this portion of the Bonds is expected to be paid in the first instance from amounts on deposit in a separate school facilities surcharge account established in the County's Capital Projects Fund subject to availability and appropriation for such purpose. A school facilities surcharge in the amount of \$12,000 is imposed by the County on new residential construction for which a building permit is applied (subject to partial exemptions in some regions). The surcharge is subject to adjustment for inflation. The surcharge is collected by the County from the builder at the time a building permit is issued for the dwelling unit. Under State law, the surcharge does not apply to mixed retirement developments, elderly housing, multi-family housing designated as student housing within 1.5 miles of the University of Maryland, College Park Campus, or any property located in an infrastructure-financing district approved prior to

January 1, 2000. Pursuant to State law, revenue collected from the school facilities surcharge is required to be deposited in a separate account and can only be used to pay for additional or expanded public school facilities or debt service on bonds issued for such facilities or for new school construction.]

[A portion of the Bonds is being issued for school renovation facilities. The principal of and interest on this portion of the Bonds is expected to be paid in the first instance from amounts on deposit in a separate Telecommunication Tax-Supported School Renovation Projects account established in the County's Capital Projects Fund, subject to availability and appropriation for such purpose. Article 24, Section 9-606 of the Annotated Code of Maryland, as amended, authorizes the County to levy and collect a sales and use tax on telecommunication service provided in the County at a rate not less than 5%. The Telecommunication Tax included in the County's Operating Budget for fiscal year 20__ is __%. Each vendor providing telecommunication service in the County is required to collect the tax on behalf of, and remit the tax to, the County. Of the net proceeds of the revenue from the telecommunications tax, at least ninety percent (90%) is to be used for school system operating expenditures, and the remainder is to be used to pay for capital expenditures for school renovation projects or debt service on the bonds issued by the County for school renovation projects.]

It is hereby certified and recited that each and every act, condition, and thing required to exist, to be done, to have happened, and to be performed precedent to and in the issuance of this Bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the County Charter, the Authorization Ordinance, the Enabling Acts of the County and the Executive Orders of the County Executive referred to herein, and that the issue of Bonds, of which this Bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and the County.

The Bonds shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws, County Charter, Authorization Ordinance, Enabling Acts or Executive Orders until the Certificate of Authentication hereon shall have been signed by an authorized signatory of the Bond Registrar.

IN WITNESS WHEREOF, Prince George’s County, Maryland has caused this Bond to be signed in its name by the manual or facsimile signature of its County Executive and its corporate seal to be affixed or imprinted hereon manually or by facsimile, attested by the manual or facsimile signature of the Clerk of the County Council of the County; and it has caused this Bond to be authenticated by the manual signature of an authorized signatory of the Bond Registrar.

PRINCE GEORGE’S COUNTY, MARYLAND

By: _____
JACK B. JOHNSON
County Executive

(SEAL)

Attest:

Redis C. Floyd
Clerk of the County Council

CERTIFICATE OF AUTHENTICATION

Date of Authentication and Registration: _____

This is one of the registered bonds of Prince George’s County, Maryland General Obligation Consolidated Public Improvement [Tax Exempt Bonds] [Taxable Qualified School Construction Bonds (Tax Credit Bond/Direct Payment to Issuer)] , Series 200_, of Prince George’s County, Maryland.

PRINCE GEORGE’S COUNTY, MARYLAND
as Bond Registrar

By: _____
Authorized Officer

(Legal Opinion Certificate)

The undersigned County Executive of Prince George’s County, Maryland, hereby certifies that, upon the original delivery of the Bonds, of which this is one, _____ Bond Counsel for the County, rendered an opinion to the County approving the legality of the Bonds. The executed originals of said opinions and supporting documents relative to the Bonds, of which this Bond is one, may be examined at the office of the undersigned, Upper Marlboro, Maryland.

County Executive

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Type Name and Address including Zip Code of Assignee)

the within Bond and all rights thereunder; and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the Bond Register therefor, with full power of substitution in the premises.

Date: _____

(Please Insert Social Security or other Identifying Number of Assignee)

Signature guaranteed:

(Signature of Registered Owner)

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature of this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

PAYMENT GRID

In the event of a partial redemption or similar transaction necessitating a reduction in the Principal Amount shown above (except in the case of final maturity, in which case this Bond must be presented to the County for payment), the Registered Owner shown above may make a notation on the payment grid below indicating the amount of such reduction in the Principal Amount shown above and the outstanding Principal Amount (the “Outstanding Principal Amount”); provided, however, that no such notation indicating the Outstanding Principal Amount hereunder shall be binding upon the County, whose obligation with respect to such Outstanding Principal Amount shall be determined by the payment record maintained by the County.

Date of Payment	Principal Amount Paid	Principal Amount Outstanding	Holder Signature

ATTACHMENT 3

**FORM OF NOTICE OF SALE
PRINCE GEORGE'S COUNTY, MARYLAND**

**\$_____ GENERAL OBLIGATION CONSOLIDATED PUBLIC
IMPROVEMENT [TAX EXEMPT BONDS],[TAXABLE QUALIFIED SCHOOL
CONSTRUCTION BONDS (DIRECT PAYMENT TO ISSUER)], SERIES 200_**

SEALED BIDS or ELECTRONIC BIDS will be received by the County Executive of Prince George's County, Maryland (the "County") or by the Director of Finance, acting with the authority of the County Executive, in Suite 3200, 3rd Floor, County Administration Building, 14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772, for the purchase of the Prince George's County, Maryland General Obligation Consolidated Public Improvement [Tax Exempt Bonds] [Taxable Qualified School Construction Bonds (Direct Payment to Issuer)], Series 200_ (the "Series 200_ Bonds"), until:

11:00 a.m. Prevailing Eastern Time, _____, _____, 200_

ELECTRONIC BIDS must be submitted to the BiDCOMPTM/PARITY[®] Electronic Bid Submission System ("PARITY") at the place and time on the sale date indicated above. Sealed written bids and electronic bids will be subject to the terms and conditions of this complete Notice of Sale. Further information about PARITY, including any fee charged, may be obtained from PARITY, 1359 Broadway, 2nd Floor, New York, New York 10018, (212) 849-5021.

If any provision of this Notice of Sale shall conflict with the information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control.

Maturities: The Series 200_ Bonds will be dated _____, 200_ and will mature annually on the ____ day of ____ in the following years and principal amounts:

**\$_____ General Obligation Consolidated Public Improvement [Tax Exempt Bonds]
[Taxable Qualified School Construction Bonds (Direct Payment to Issuer)], Series
200_**

Maturity	Principal
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	

Adjustments to Maturity Schedule: Pre-sale, the County reserves the right to increase or decrease the aggregate principal amount of the Series 200_ Bonds and/or change the maturity schedule set forth above from time to time up until 9:30 a.m. prevailing Eastern Time on the date of sale. Any pre-sale revisions to the maturity schedule will be made available on the BiDCOMP/Parity/www.idealprospectus.com system no later than 9:30 a.m. prevailing Eastern Time on the date of sale. In the event any such pre-sale revisions are made to the maturity schedule and so communicated not later than 9:30 a.m. prevailing Eastern Time on the date of sale, the last pre-sale revisions so published shall constitute the applicable maturity schedule for purposes of submitting electronic or sealed written bids with respect to the Series 200_ Bonds.

Serial and/or Term Bonds and Mandatory Redemption: Bidders may provide for all of the Series 200_ Bonds to be issued as serial bonds or bidders may designate consecutive annual principal amounts of the Series 200_ Bonds to be combined into not more than two term bonds. In the event that the bidder specifies a term bond, each such term bond shall be subject to mandatory redemption on ___ in the years and amounts shown herein for the several maturities of the Series 200_ Bonds corresponding to the years which have been combined to form such term bond. The Series 200_ Bonds to be redeemed in any year by

mandatory redemption shall be selected by lot from the Series 200_ Bonds being redeemed and shall be redeemed at par.

Tax-Exempt Bonds/Taxable Bonds (Direct Payment to Issuer): The Series 200_ Bonds will be issued as either all Tax-Exempt Bonds or all Taxable Qualified School Construction Bonds (Direct Payment to Issuer). The Series 200_ Bonds will not be split between Tax-Exempt Bonds and Taxable Qualified School Construction Bonds (Direct Payment to Issuer). Bidders may submit a bid for all, but not less than all, of the Series 200_ Bonds as Tax-Exempt Bonds or Taxable Qualified School Construction Bonds (Direct Payment to Issuer) as set forth herein under “Bidding Rules, Price and Interest Rate Bids.”

Form of Series 200_ Bonds: The Series 200_ Bonds will be issued in fully registered form and sold through a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to Cede & Co., the partnership nominee of The Depository Trust Company, New York, New York ("DTC"), and immobilized in DTC's custody. The book-entry system will evidence ownership of the Series 200_ Bonds in the principal amount of \$5,000 and integral multiples thereof, with transfers of ownership interests of each actual purchaser of a Series 200_ Bond effected on the records of DTC and its participants. The successful bidder, as a condition to delivery of the Series 2009A Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., DTC's partnership nominee.

DTC may determine not to continue to act as securities depository for the Series 200_ Bonds at any time by giving notice to the County. The County may determine to select a different securities depository or the County may determine not to continue the book-entry system at any time by giving notice to DTC. If the County does not identify another qualified securities depository to replace DTC, the County will deliver replacement bonds in the form of fully registered certificates.

Principal and Interest Payments: So long as the Series 200_ Bonds are held by DTC under a book-entry only system, payments of the principal of and interest on the Series

200_ Bonds will be made to Cede & Co., or other nominee of DTC, as registered owner of the Series 200_ Bonds, on the date such payment is due or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day (or as otherwise required by DTC). Interest on the Series 200_ Bonds from _____, 200_ is payable on _____, 2010, _____, 2010 and semiannually thereafter on _____ and _____ of each year until maturity.

Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 200_ Bonds by participants of DTC will be the responsibility of such 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, its participants or persons acting through such participants.

"Business Day" means any day of the year on which (i) banking institutions in New York or in Maryland are not authorized or obligated by law to remain closed or on which the New York Stock Exchange is not closed or (ii) the offices of the County are not authorized or obligated by law or required by Executive Order of the County Executive of the County to be closed.

The County will act as the Bond Registrar and as the Paying Agent for the Series 200_ Bonds (the "Bond Registrar and Paying Agent"). The office of the Bond Registrar and Paying Agent is located at the Office of the Director of Finance, County Administration Building, Suite 3200, 14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772.

All payments of the principal and interest on the Series 200_ Bonds shall be in such coin or currency of the United States as at the time of payment is legal tender for payment of public and private debts. If the book-entry only system of registration is discontinued, interest on the Series 200_ Bonds will be payable by check mailed by the Bond Registrar and Paying Agent to the persons in whose names the Series 200_ Bonds are registered as

of the close of business on the first day of the month in which such interest payment date occurs at the addresses as they appear on the registration books maintained by the Bond Registrar and Paying Agent, and the principal of the Series 200_ Bonds will be paid upon presentation and surrender of the Series 200_ Bonds at the office of the Bond Registrar and Paying Agent.

Optional Redemption: The Bonds maturing on or after __, 20__ are subject to redemption prior to maturity, in whole or in part, on __, 20__ or at any time thereafter, at the option of the County and in order of maturity directed by the County, on at least thirty (30) days' notice, at the following redemption price, expressed as a percentage of the principal amount of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fix for redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
_____, 20__ and thereafter	100%

If fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar and Paying Agent or in such other manner as the Bond Registrar and Paying Agent, at its discretion, may deem proper.

Extraordinary Mandatory Redemption of Taxable Qualified School Construction Bonds: The Bonds are subject to extraordinary mandatory redemption, in whole or in part, on __, or, in the event of an extension negotiated with the Internal Revenue Service, on a date that occurs on or before __, in authorized denominations, at a redemption price equal to the principal amount of the Bonds to be redeemed, in an amount computed by reference to the unexpended proceeds of the Bonds.

Authority to Issue: The Series 200_ Bonds are being issued under the authority of Section 5(P) of Article 25A of the Annotated Code of Maryland, as amended (the

"Enabling Law"), the County Charter, County Council Bill CB-_-200_ (the "Authorization Ordinance"), the bond enabling laws cited in the Authorization Ordinance (the "Enabling Acts") and certain orders of the County Executive.

Purpose: The Series 200_ Bonds are being issued to provide funds for financing, in whole or in part, the costs of planning, construction, reconstruction, establishment, extension, enlargement, demolition, improvement or acquisition of certain capital projects for public school facilities.

Sources of Payment: The County has pledged its full faith and credit and taxing power for the payment of the principal of and interest on the Series 200_ Bonds. To provide for the payment of the Series 200_ Bonds, the County is empowered and directed to levy ad valorem taxes upon all legally assessable property within the corporate limits of the County; such tax is subject, however, to the limitations set forth in Sections 812 and 813 of the County Charter. Section 812 provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the County] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and forty cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value." Section 813 provides that any ordinance or resolution levying or charging taxes or certain fees in excess of the amount levied or charged in the preceding fiscal year shall be referred to a referendum of the qualified voters of the County. In the 2000 legislation session, the State legislature enacted a law providing that beginning fiscal 2002, the property tax for real property shall be applied to 100 percent, instead of 40 percent, of the phase-in value of the real property and that the tax rate shall be adjusted to make the impact revenue neutral. Such State law also provides that any limit on a local real property tax rate in a local law or charter provision shall be construed to mean a rate equal to 40 percent times the rate stated in the local law or charter provision. Pursuant to this new law, the tax rate is \$0.96 for real property and \$2.40 for personal property upon each \$100 assessed value of all assessable property, real and personal, assessed according to the State law and subject to taxation in the

County.

[Debt service on the Series 200_ Bonds in the first instance is expected to be paid from amounts on deposit in a separate school facilities surcharge account or in a separate school renovation projects account supported by 10% of sales and use tax levied by the County on telecommunication service in the County.]

Minority Participation: The County encourages each bidder for the Series 200_ Bonds to make a good faith effort to include minority business enterprises in the syndicate purchasing the Series 200_ Bonds. Each bidder is requested to submit with its bid a listing of the initial members of the purchasing syndicate, setting forth the initial contribution of each member and identifying the minority business enterprises with an asterisk(*). Upon request, the Director of Finance of the County and the Financial Advisor to the County will make available a non-exclusive list of underwriters and investment bankers the County has identified as minority business enterprises.

Bidding Rules, Price and Interest Rate Bids: Each bid must be unconditional. Each bidder shall submit one bid on an "all-or-none" basis. Each bidder shall submit a bid for the purchase of the Series 200_ Bonds either as all Tax-Exempt Bonds or as all Taxable Qualified School Construction Bonds (Direct Payment to Issuer). Each proposal must specify the amount of the bid for the Series 200_ Bonds, which must be not less than par, and must specify the rate or rates of interest to be paid thereon. Bids for each maturity of Taxable Qualified School Construction Bonds (Direct Payment to Issuer) must be for not more than _% of the par amount of such maturity. Each rate of interest shall be a multiple of one-twentieth (1/20) or one-eighth (1/8) of one percent, but all Series 200_ Bonds of any one maturity must bear interest at the same rate. Any rate named may be repeated. The difference between the maximum and minimum interest rates may not be greater than 3%. A zero rate may not be named.

Form of Non-Electronic Bids: Non-electronic bids must be submitted on the prescribed form accompanying this Notice of Sale and must be enclosed in a sealed envelope addressed "Director of Finance, Prince George's County, Maryland, Suite 3200, 3rd Floor, County Administration Building, 14741 Governor Oden Bowie Drive, Upper

Marlboro, Maryland 20772", and marked on the outside "Bid for Series 2009A Bonds." Non-electronic bids must be received by 11:00 a.m., prevailing Eastern Time, on _____, 200_*. The time as reflected on PARITY shall be deemed to be the official prevailing Eastern Time.

Each bid should be accompanied by a listing of the members of the purchasing syndicate, setting forth the contribution of each member and designating minority business enterprises with an asterisk(*).

Electronic Bids: Electronic bids will be received via PARITY, in the manner described below, until 11:00 a.m., prevailing Eastern Time, on _____, 200_*.

Bids may be submitted electronically via PARITY pursuant to this notice until 11:00 a.m., prevailing Eastern Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this notice, the terms of this notice shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021.

Disclaimer: Each prospective electronic bidder shall be solely responsible to submit its bid via PARITY as described above. Each prospective electronic 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 Series 200_ 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 such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Series 200_ Bonds, such bidder should telephone PARITY at (212) 849-5021 and notify the County's Financial Advisor, Public Advisory Consultants, Inc., by facsimile at (410) 581-9808.

Electronic Bidding Procedures: Electronic bids must be submitted for the purchase of the Series 200_ Bonds (all or none) via PARITY. Bids will be communicated electronically to the County at 11:00 a.m., prevailing Eastern Time, on Tuesday, _____, 200_*. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bids 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 Series 200_ 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 Series 200_ Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY shall constitute the official time.

Good Faith Deposit: The successful bidder of the Series 200_ Bonds, shall submit a good faith deposit in the amount of \$____,000* (the "Good Faith Deposit") for the winning bid on the Series 200_ Bonds to the County as provided below. The Good Faith Deposit will secure the County from any loss resulting from the failure of the successful bidder to comply with the terms of the bid. The successful bidder shall transfer the Good Faith Deposit by wire transfer directly to the County upon notification of the preliminary award of the Series 200_ Bonds, as indicated on PARITY (the "Preliminary Award"), but in any case no later than 2:00 p.m., prevailing Eastern Time, on _____, 200_*. Wire instructions will be provided to the successful bidder by the County's Financial Advisor upon notification of the Preliminary Award.

The successful bidder will provide as quickly as it is available evidence of wire transfer to the County's Financial Advisor by providing to the County's Financial Advisor

the federal funds reference number. The formal award of the Series 200_ Bonds shall not be made until the County's Financial Advisor has confirmation of receipt of the Good Faith Deposit, and if successful bidder fails to so deliver the Good Faith Deposit by the time designated above, the County will have the option to withdraw the Preliminary Award and the successful bidder shall be responsible to the County for all consequential damages arising from such withdrawal.

At the time of the delivery of the Series 200_ Bonds, the Good Faith Deposit will be applied against the purchase price for the Series 200_ Bonds or will be retained as liquidated damages upon the failure of the successful bidder to take and pay for the Series 200_ Bonds in accordance with the terms of its proposal. The successful bidder shall have no right in or to the Good Faith Deposit if it fails to complete the purchase of, and payment in full of, the Series 200_ Bonds for any reason whatsoever, unless such failure of performance shall be caused by an act or omission of the County. No interest will be paid upon the Good Faith Deposit to the successful bidder. Notwithstanding the foregoing, should a successful bidder fail to pay for the Series 200_ Bonds at the price and on the date agreed upon, the County retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

Award of Bonds: The Director of Finance of the County will not consider and will reject any bid for the purchase of less than all of the Series 200_ Bonds. No bid at less than par plus accrued interest will be considered. The right is reserved to reject any and all bids.

The award of the Series 200_ Bonds, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments (less 35% of the amount of such payments in respect of interest for bids for Taxable Qualified School Construction Bonds (Direct Payment to Issuer)) from the payment date to the date of the Series 200_ Bonds and to the price bid, excluding interest accrued to the date of delivery. If two or more responsible bidders have

made proposals for the Series 200_ Bonds, each of which represents the lowest true interest cost to the County, then the Series 200_ Bonds shall be awarded to the bidder offering the highest premium, and, if the highest premium is offered by two or more such bidders or if no premium is bid by any of such bidders, then the Series 200_ Bonds may be awarded, with their consent, in a ratable portion among such bidders, or the County may, in its sole discretion, determine to which of such bidders the Series 200_ Bonds will be awarded. The judgment of the Director of Finance 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 for the Series 200_ Bonds shall make a good faith effort to solicit minority business enterprises to participate in the syndicate purchasing the Series 200_ Bonds, but such requirement shall in no way affect the award of the Series 200_ Bonds.

Delivery and Payment: The Series 200_ Bonds will be delivered at 11:00 a.m. prevailing Eastern Time on _____, 200_* or at such other time or on such earlier or later date as shall be mutually agreed upon by the County and the successful bidder (the "Closing"), at the expense of the County, at the offices of DTC in New York, New York, or at such other place as shall be mutually agreed upon by the County and the successful bidder, upon payment of the amount of the successful bid (including any premium), plus accrued interest to the date of delivery, less the amount of the Good Faith Deposit. Such payment shall be made in federal funds by wire transfer to a designated bank account of the County. At the time of Closing, there will be delivered to the successful bidder at the office of _____, _____ Maryland, the other closing documents hereinafter mentioned and the successful bidder will provide evidence satisfactory to the County that funds have been transferred and are immediately available to the County. It is anticipated that separate CUSIP identification numbers for each maturity will be printed on the Series 200_ Bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Series 200_ Bonds in accordance with the terms of this Notice of Sale.

When delivered, the Series 200_ Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., the partnership nominee of DTC, with one Series 200_ Bond representing each maturity of the Series 200_ Bonds, each in the aggregate principal amount of such respective maturity.

The Series 2009A Bonds may be inspected by the successful bidder at the office of DTC at least one business day prior to Closing.

Legal Opinion: The issuance of the Series 200_ Bonds will be subject to legal approval by _____, _____, Maryland and _____, _____, Maryland, Co-Bond Counsel, whose approving opinion will be delivered upon request, without charge, to the successful bidder for the Series 200_ Bonds.

Official Statement: Within seven (7) business days after the award of the Series 200_ Bonds to the successful bidder on the date of sale, the County will authorize and deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the successful bidder at or before the close of business on the date of the sale, the County will include in the Official Statement pricing and other information with respect to the terms of the reoffering of the Series 200_ Bonds by the successful bidder (the "Reoffering Information"). If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Series 200_ Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by the successful bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Series 200_ Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 200 copies of the Official Statement (and any amendment or supplement thereto that is prepared other than as a result of incorrect underwriting information or Reoffering Information furnished

by the successful bidder or that is prepared because of a failure of the successful bidder).

The County will undertake to provide the successful bidder with further additional information to be included in such Official Statement when, in the opinion of the County or of Co-Bond Counsel, such additional information constitutes a material change to such Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the "end of the underwriting period," as such term is defined in Securities and Exchange Commission Rule 15c2-12.

The successful bidder for the Series 200_ Bonds agrees to provide promptly copies of the Official Statement to the Municipal Securities Rulemaking Board in accordance with Securities and Exchange Commission Rule 15c2-12.

Continuing Disclosure: In order to assist bidders in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the County will undertake, pursuant to a Continuing Disclosure Certificate, to provide (i) certain financial information and operating data annually, and (ii) notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and also will be set forth in the final Official Statement.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 200_ Bonds that simultaneously with or before delivery and payment for the Series 200_ Bonds, such successful bidder shall be furnished with a fully-executed copy of the Continuing Disclosure Certificate.

Closing Documents: The Series 200_ Bonds will be accompanied by customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of the Series 200_ Bonds.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 200_ Bonds that simultaneously with or before delivery and payment for the Series 200_ Bonds such successful bidder shall be furnished a certificate of the appropriate County officials to the effect that to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information, information concerning DTC and its book- entry system, and information regarding any municipal bond insurance obtained with respect to the Series 200_ Bonds, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Series 2009A Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the Series 200_ Bonds there has been no material adverse change in the financial position or revenue of the County, except as reflected or contemplated in the Official Statement.

The successful bidder for the Series 200_ Bonds, by submitting its bid, agrees to provide a comparative coupons and yields statement for an uninsured transaction if it bids with insurance and a certificate acceptable to Co-Bond Counsel stating: (i) the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Series 200_ Bonds (the "Reoffering Prices"); (ii) that the successful bidder has made a bona fide public offering of the Series 200_ Bonds at the Reoffering Prices; and (iii) that a substantial amount of the Series 200_ Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) at such Reoffering Prices. Co-Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Series 200_ Bonds of each maturity at the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Series 200_ Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Co- Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Series 200_ Bonds.

Right to Modify or Amend Notice of Sale; Right to Postpone Sale: The County reserves the right to modify or amend this Notice of Sale, including as described under "Adjustments to Maturity Schedule" above. If any modifications occur, they will be made available on the BiDCOMP/Parity/www.idealprospectus.com system no later than 9:30 a.m. prevailing Eastern Time on the date of sale, and bidders shall submit their electronic or sealed written bids based on the terms of this Notice of Sale, as so modified. In addition, the County reserves the right to postpone the date of sale. Any such postponement will be communicated through the BiDCOMP/Parity/www.i-dealprospectus.com system. If any date fixed for the receipt of bids and sale of the Series 200_ Bonds is postponed, any alternative sale date and time and any revised date of expected delivery will be announced via the BiDCOMP/Parity/www.iealprospectus.com system at least 24 hours prior to such alternative sale date and time.

Contact Persons: The Preliminary Official Statement concerning the Series 200_ Bonds, together with the Notice of Sale and the required form of Bid for Series 2009A Bonds, and a list of underwriters and investment bankers that the County has identified as minority business enterprises, will be supplied to prospective bidders upon request made to the Director of Finance of Prince George's County, Maryland, County Administration Building, Suite 3200, 14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772, (301) 952-5025; or from Public Advisory Consultants, Inc., 25 Crossroads Drive, Suite 402, Owings Mills, Maryland 21117, (410) 581-4820. Such Preliminary Official Statement is deemed final as of its date by the County for purposes of Securities and Exchange Commission Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

PRINCE GEORGE'S COUNTY, MARYLAND

By: JACK B. JOHNSON

County Executive

BID FOR SERIES 200_ BONDS

11:00 a.m.
Prevailing Eastern Time*

Director of Finance
Prince George's County, Maryland
Suite 3200, 3rd Floor
County Administration Building
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Dear Director of Finance:

Subject to the provisions and in accordance with the terms of the Notice of Sale, which is incorporated by reference and made a part of this Bid for Series 200_ Bonds, we offer to purchase the obligations of Prince George's County, Maryland, described in such Notice of Sale, being \$_____,000* in aggregate principal amount of the Prince George's County, Maryland General Obligation Consolidated Public Improvement [Tax Exempt Bonds] [Taxable Qualified School Construction Bonds (Direct Payment to Issuer)], Series 200_ (the "Series 200_ Bonds"). Such Series 200_ Bonds are to be dated _____, 200_, to mature on the several years shown in the table below and to bear interest at the rates per annum set opposite such years, respectively, in said table. The Series 200_ Bonds will bear interest at the rates shown below:

\$_____,000*

General Obligation Consolidated Public Improvement [Tax Exempt Bonds] [Taxable Qualified School Construction Bonds (Direct Payment to Issuer)], Series 200

MATURITIES, AMOUNTS AND INTEREST RATES TABLE

	Maturity	Principal Amount*	Interest Rate (Per Annum)
	2010		
	2011		
	2012		
	2013		

2014
 2015
 2016
 2017
 2018
 2019

We are designating the following years as term bonds maturing _ of the years and being interest at the rates indicated:

First Year of Mandatory Sinking Fund Redemption	Year of Term Bond Maturity	Interest Rate
		__%
		__%

We will purchase the Series 20_ Bonds as:

Tax-Exempt Bonds _____

Taxable Qualified School Construction Bonds (Direct Payment to Issuer) __

[check only one]

We will pay amounts equal to the value of

the Series 200_ Bonds \$ _____
 Plus a premium in the amount of \$ _____
 Total for the Series 200_ Bonds \$ _____

And also accrued interest from _____, 200_, to the date of delivery of the Series 200_ Bonds.
 If we are the successful bidder for the Series 200_ Bonds, we agree to comply with all of the

obligations and requirements of the Notice of Sale.

If we are the successful bidder for the Series 200_ Bonds, we agree to comply with all of the obligations and requirements of the Notice of Sale.

Firm: _____
and Associates (see list attached)(1)

By: _____
Authorized Signature

Telephone (_____)

Fax (_____)

NOTE: NOT A PART OF THIS BID. Aggregate amount of interest from date of the Series 200_ Bonds to final maturity and the true interest cost of this proposal, determined in accordance with the method described in the Notice of Sale, is _____ % per annum.

Aggregate amount of interest from date of Series 200_ Bonds to final maturity _____ \$
True interest cost. _____ %.

(1) Please note: The list of Associates attached should set forth the contribution of each member of the syndicate and designate minority business enterprises with asterisks as required in the Notice of Sale.