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**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**

Legislative Session

1992

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Bill No. \_\_\_\_\_ CB-66-

1992

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Chapter No.

38

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Proposed and Presented by \_\_\_\_\_ The Chairman (by request -

\_\_\_\_\_ County

Executive) \_\_\_\_\_

Introduced by \_\_\_\_\_ Council Members Fletcher, MacKinnon

and \_\_\_\_\_

\_\_\_\_\_ Del

Giudice \_\_\_\_\_

Co-Sponsors

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Date of Introduction \_\_\_\_\_ June 2,

1992

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**BILL**

AN ACT concerning

The Issuance and Sale of General Obligation Bonds

FOR the purpose of authorizing and empowering Prince George's

County, Maryland, to issue and sell an amount not to exceed

Fifty-eight Million Six Hundred Sixty Thousand Dollars (\$58,660,000) in aggregate principal amount of serial maturity, general obligation bonds for the purpose of providing funds for financing in whole or in part costs of the construction, acquisition, improvement or extension of certain capital projects set forth in the capital budget of the County for the fiscal year ending June 30, 1993, or usable portions thereof, including describing the capital projects to be financed in whole or in part from the proceeds of the bonds hereby authorized and the estimated costs and probable useful lives thereof; prescribing the procedures for the issuance and sale of such bonds; providing for the consolidation of such bonds with other bonds for purposes of such sale; providing for the issuance and sale of such bonds at public sale; providing for the forms of such bonds; providing for the form of the Notice of Sale and form of bid for such bonds to be used in connection with such sale; showing compliance with the power of the County to incur indebtedness; directing the application of the proceeds of such bonds; providing for the levy and collection of taxes necessary for the payment of the principal of and interest on such bonds when due; covenanting that the proceeds of such bonds (or any moneys which may be deemed to be such proceeds) shall not be used in a manner which would cause the bonds to be "arbitrage bonds" and covenanting on other matters relating to the tax exempt status of interest on such bonds; providing generally for the issuance, sale and delivery of

general obligation bonds of Prince George's County, Maryland, and the consolidation of bonds and the establishment of a borrowing program for the County and related matters authorizing and empowering the County to issue and sell an amount not to exceed Fifty-eight Million Six Hundred Sixty Thousand Dollars (\$58,660,000) in general obligation bond anticipation notes in anticipation of the issuance and sale of such bonds; providing for the issuance of such bond anticipation notes in the form of commercial paper; providing for the issuance of such bond anticipation notes and such bonds in the form of variable rate demand obligations; providing for the issuance of such bonds or notes in registered form, including central depository and book entry arrangements; and providing generally for the issuance, sale and delivery of general obligation bond anticipation notes of Prince George's County, Maryland, including bond anticipation notes in the form of commercial paper and the consolidation of bond anticipation notes.

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that the issuance, sale and delivery of serial maturity general obligation bonds (the "Bonds") of Prince George's County, Maryland (the "County"), in an aggregate principal amount not exceeding Fifty-eight Million Six Hundred Sixty Thousand Dollars (\$58,660,000) is hereby authorized in order to finance costs of the capital projects (the "Authorized Capital Projects") listed in the table set

forth in Attachment 1, attached to and made a part of this Act (the "Table of Projects") that have been authorized by the bond enabling acts set forth in the Table of Projects or by this Act. Each Authorized Capital Project is described in the Capital Budget of the County for the fiscal year ending June 30, 1993 (the "Capital Budget") under the heading set forth in the Table of Projects and has the identification number set forth in the Table of Projects. The descriptions of the Authorized Capital Projects contained in the Capital Budget are incorporated herein by reference as if set forth fully herein.

The principal amount of Bonds authorized by this Act to finance costs of each Authorized Capital Project shall be the respective amount set forth in the columns in the Table of Projects marked "Authorized Principal Amount of Bonds". Each such principal amount of Bonds is hereby determined to be sufficient to complete at least a usable portion of the Authorized Capital Projects in respect of which such principal amount has been authorized. The probable useful lives of the Authorized Capital Projects are set forth in the Table of Projects. The Bonds shall be made payable within the average of the probable useful lives of the Authorized Capital Projects, which is 22.8 years, or, in the event the Bonds are consolidated with other bonds of the County pursuant to Section 3 of this Act, within the average of the probable useful lives of the capital projects financed with the proceeds of such consolidated issue of bonds (the "Consolidated Authorized Capital Projects"). All Authorized Capital Projects have been

identified and included in bond enabling acts ("Bond Enabling Acts") and have been approved by referendum to the extent required by applicable law. The Bonds are specifically exempted from the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time. The powers granted under this Act are additional and cumulative and the bonds authorized by this Act may be issued, notwithstanding that other bond acts or laws may provide for the same or similar purposes. This Act does not modify or repeal any prior acts granting bond issuing authority for the same or similar purposes.

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

It is hereby recognized and acknowledged that the information regarding the Estimated Cost, Bond Financed Portion and Other Funding Sources for each Authorized Capital Project set forth in the Table of Projects is derived from information and estimates referenced in the Capital Budget and the Capital

Improvement Program of the County for fiscal years 1993 through 1998, inclusive (the "Capital Improvement Program"), and is necessarily subject to change because of corresponding changes in construction and other costs, project time schedules, availability of Other Funding Sources and other circumstances not now known or anticipated. It is the purpose and intent of this Act to authorize the borrowing of money to finance the Authorized Capital Projects as such projects are referenced in the Capital Budget and Capital Improvement Program and in any amended or subsequent capital budget or capital improvement program. To implement the intent and purpose of this Act in the most expeditious manner, the County Executive of the County (the "County Executive") by his or her order or, if so provided by order of the County Executive, the Chief Administrative Officer of the County (the "Chief Administrative Officer"), by his or her order, may revise the amounts set forth in the Table of Projects representing the Estimated Cost, Bond Financed Portion and Other Funding Sources for any Authorized Capital Project to be consistent with the information set forth in regard to such project in any amended or subsequent capital budget or capital improvement program. In the event that the Bond Financed Portion for an Authorized Capital Project is less than the amount appropriated for such project in the Capital Budget or any amended or subsequent capital budget and the entire principal amount of bonds issued for the Consolidated Authorized Capital Projects is not required for such projects, the County Executive by his or her order or, if so provided by

order of the County Executive, the Chief Administrative Officer by his or her order, may revise the Table of Projects to increase the Bond Financed Portion of such Authorized Capital Project to an amount not to exceed the appropriated amount for such project and, correspondingly, may reduce the bond financed portion of such other Consolidated Authorized Capital Projects and make other appropriate adjustments. Nothing contained in this Act shall be deemed to preclude the County Council by resolution from effecting such a revision in the Table of Projects. The authority granted in this Act to revise the Table of Projects shall not be construed to permit an increase in the aggregate principal amount of Bonds to be issued pursuant to this Act or to effect results inconsistent with the Charter or other applicable laws; accordingly, any such revision to the Table of Projects shall evidence that (i) the Bond Financed Portion of each Authorized Capital Project is sufficient to complete at least a usable portion of such project, (ii) the amount of all bonds authorized to be issued for such Authorized Capital Projects, including the revised Bond Financed Portion, does not exceed the amount of bonds authorized by the respective Bond Enabling Acts for such projects, and (iii) the Bonds are payable within the average probable useful life of the Authorized Capital Projects or, if the Bonds are consolidated with other bonds of the County pursuant to Section 3 of this Act, within the average probable useful lives of the Consolidated Authorized Capital Projects.

SECTION 3. BE IT FURTHER ENACTED that the Bonds (or any

portion of them) may be consolidated for sale and issued, may be sold and delivered as a single issue of Bonds or as two or more issues of Bonds, or may be consolidated with other bonds of the County, as authorized by Section 2C of Article 31 of the Annotated Code of Maryland, as amended, replaced, or recodified from time to time. Such bonds shall each be designated "Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 1992," and, in the event such bonds are issued at more than one time, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, by order, may specify such additional designation as he shall deem appropriate. Moreover, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, is hereby authorized to provide such other or alternative designation as he deems necessary or convenient to indicate the year of issuance of the Consolidated Public Improvement Bonds, which alternative designation may include (without limitation) reference to "Series 1993."

SECTION 4. BE IT FURTHER ENACTED that, subject to and in accordance with the provisions of this Act, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, shall determine all matters relating to the advertisement, sale, issuance, delivery and payment of the Bonds, including all matters relating to the forms, dates and denominations of the Bonds, the principal maturities, the methods to be used in determining interest payable on the Bonds, and provisions for registration of the

Bonds, for their redemption prior to stated maturity, and for the use of facsimile signatures or seals, whether the Bonds are to be issued in book-entry form and all matters incident to the issuance of the Bonds in book-entry form. The County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, shall provide for the form, numbering, term and authentication of the Bonds pursuant to Section 826 of the Charter. The County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may provide that no Bonds shall be issued for certain Authorized Capital Projects authorized by this Act to be financed by the Bonds and to reduce the aggregate principal amount of Bonds to be issued accordingly, provided, however, that the deletion of such Authorized Capital Projects shall not cause the Bonds to be payable beyond the average of the probable useful lives of the remaining Authorized Capital Projects. The County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may provide for a reduction in the aggregate principal amount of Bonds to be issued consistent with a determination of the minimum bond denomination size based on municipal security market practices regarding denomination size, and for a corresponding reduction in the principal amount of Bonds issued to finance the cost of any Authorized Capital Project, provided, however, that the principal amount of Bonds issued for each such Authorized Capital Project after such reduction shall be sufficient to complete at least a usable portion of each such Authorized

Capital Project. It is hereby recognized and acknowledged that, in order to manage prudently the capital programs of the County, particularly in light of federal income tax laws and regulations that impose penalties and other financial consequences for the failure to expend the proceeds of tax-exempt bonds in a timely manner, the County Executive, pursuant to Section 3 of this Act, may provide for the financing of the Bond Financed Portion of an Authorized Capital Project by the issuance of Bonds at more than one time and from time to time.

Notwithstanding the provisions of Sections 2, 3 and 4 of this Act, no order of the County Executive or Chief Administrative Officer permitted under this Act shall authorize or permit a reduction in the principal amount of Bonds issued for an Authorized Capital Project below the amount for which the County Council has authorized temporary borrowing from other County funds.

The County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may provide by order for certain maturities of the Bonds to be subject to prior redemption at the option of the County. If the County Executive or the Chief Administrative Officer, as the case may be, so provides and the Bonds are issued with such option, then in the event that the County determines to exercise such option for the purpose of effecting certain cost savings by refinancing a portion of the indebtedness evidenced by the Bonds through the issuance and sale of refunding bonds, it is the intent of the County that such refunding bonds be issued

under the Enabling Acts referred to in this Act and that such refunding bonds, if issued, shall constitute a refunding of indebtedness authorized by this Act and shall not constitute additional indebtedness under such authority or under any other authority. The aggregate principal amount of Bonds authorized to be issued hereunder may be increased by a supplemental ordinance.

SECTION 5. BE IT FURTHER ENACTED that the Bonds shall be sold at public sale by bids on sealed proposals to the bidder or bidders therefor for cash whose bid or bids are determined to be for the best interest of the County, as provided in the Notice of Sale for the Bonds, after having given public notice by advertisement. Such advertisement shall be published once in each of two consecutive weeks next preceding the date of sale of the Bonds in one or more newspapers having a general circulation in the County. The first of these publications shall be at least ten (10) days preceding the date of sale of the Bonds. Such advertisement, or a summary thereof, may also be published in "The Bond Buyer", a financial journal published in the City of New York and in such other publications as the Director of Finance may determine to be in the best interest of the County. The Bonds offered for sale at such public sale shall be awarded by the County Executive, or in the event of the temporary absence or disability of the County Executive, by the Chief Administrative Officer of the County pursuant to Section 410 of the Charter. Authority is hereby expressly delegated to the County Executive, or in his or her absence, to

the Chief Administrative Officer, to fix the date and the time of the sale of the Bonds. The sale of the Bonds shall be held in a County Executive Conference Room in the County Administration Building in Upper Marlboro, Maryland, or in such other place as may be designated by the County Executive in the Notice of Sale for the Bonds.

SECTION 6. BE IT FURTHER ENACTED THAT there may be printed on each of the Bonds the text of the approving legal opinion of Bond Counsel with respect to such Bonds. Any such printed text shall be certified to be a correct copy of said opinion by the facsimile signature of the County Executive.

The Bonds shall contain similar provisions and be in substantially the form set forth in Attachment 2, attached hereto and made a part hereof, and Bonds issued substantially in accordance with said form, with appropriate insertions as indicated, when properly executed and authenticated as required by this Section shall be deemed to constitute unconditional general obligations of the County, to the payment of which, in accordance with the terms thereof, its full faith and credit are pledged, and all the covenants and conditions contained in the Bonds shall be deemed to be binding upon the County. Authority is hereby conferred on the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, to complete, delete or modify the blanks in the respective bond forms with necessary information, to insert applicable paragraphs as indicated or needed and to make such additions, deletions and substitutions in the

respective bond forms, not inconsistent with this Act or the County Charter, as may be necessary or desirable for the sale of the Bonds, including (without limitation) such additions, deletions and substitutions as may be necessary or desirable in connection with the establishment or discontinuance of a book-entry registration system for the Bonds.

SECTION 7. BE IT FURTHER ENACTED that immediately after the sale of the Bonds, the interest rate or rates payable on the Bonds shall be fixed by an order of the County Executive (the authority to fix such rates being hereby expressly delegated to said County Executive) or, in his or her absence, by an order of the Chief Administrative Officer acting pursuant to Section 410 of the Prince George's County Charter, in accordance with the respective terms and conditions of the sale of the Bonds.

SECTION 8. BE IT FURTHER ENACTED that the official Notice of Sale and Bid for the Bonds shall be substantially in the form set forth in Attachment 3 attached hereto and made a part hereof, with such insertions or deletions as the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may determine to be desirable due to financial or market conditions or as otherwise permitted or required by this Act, including but not limited to changes appropriate in the event that the Bonds are to be registered in book-entry format.

SECTION 9. BE IT FURTHER ENACTED that the County Executive or, if so provided by order of the County Executive, the Chief

Administrative Officer, may authorize on behalf of the County the delivery of a Preliminary Official Statement and a final Official Statement in connection with the issuance and sale of the Bonds.

SECTION 10. BE IT FURTHER ENACTED that the County Council hereby determines that the Bonds are at present within the debt limit imposed by Section 5(P) of Article 25A of the Annotated Code of Maryland (1990 Replacement Volume and 1991 Supplement), as shown below:

Assessable base of County	\$12,935,738,350
Debt limit - 15% of assessable base	\$ 1,940,360,753
Debt outstanding - not more than	\$ <u>294,146,579</u>
Limit on additional debt	\$ <u>1,646,214,174</u>
Aggregate principal amount of Bonds	\$ 58,660,000
Aggregate principal amount of general obligation bonds authorized by other acts and not issued	\$ <u>67,112,241</u>
Total principal amount of general obligation bonds authorized and not issued (including the Bonds)	\$ <u>125,772,241</u>

SECTION 11. BE IT FURTHER ENACTED that the proceeds of the sale of the Bonds, including any premium and accrued interest received therefor, shall be paid directly to the Director of Finance of the County, who shall deposit the same in the proper accounts of the County. The cost of marketing the Bonds shall be the pro rata part of the cost of advertising, printing, legal services and other related expenditures, as may be

determined by apportioning the aggregate amount of the cost of such advertising, printing, legal services and other related expenditures among the issue of Bonds and the issues of bonds authorized by other Acts or Ordinances and consolidated for sale with the issue of the Bonds, in the proportion to each issue which the amount for which each issue may be sold shall bear to the total amount received for all of the issues so consolidated for sale. Such costs of issuance shall be allocated to the Authorized Capital Projects financed by the Bonds and shall be charged to the appropriate debt service accounts of the County by the Director of Finance. There shall be deducted from the total gross proceeds received for the Bonds any amount received on account of accrued interest and premium on such Bonds, which amounts shall be set apart by the Director of Finance in separate accounts and applied to the first interest payment on the Bonds including such issue as finally consolidated if sold. The balance of the proceeds of the sale of the Bonds shall be expended by the County for costs of the Authorized Capital Projects for which Bonds have been issued in accordance with this Act and the provisions of the respective enabling laws authorizing such Authorized Capital Projects. If the principal amount of Bonds issued for any Authorized Capital Project exceeds the amount needed to finance such Authorized Capital Project, the excess shall be applied to any other Authorized Capital Project of the same generic class or if no such Authorized Capital Project requires additional funds, to any other capital project permitted by the laws of

the State of Maryland and of the County and by the Charter.

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

SECTION 12. BE IT FURTHER ENACTED that, for the purpose of paying the interest and redeeming and paying the Bonds, as they respectively mature, the County shall, subject to the limitation on the levy of the real property tax set out in Section 817B of the County Charter, include in the levy in each and every fiscal year during which any of the Bonds are outstanding ad valorem taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the interest on the Bonds payable during such fiscal year and the principal of all of the Bonds maturing in each such fiscal year; and in the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied, subject also to said limitation, in succeeding fiscal years to make up such deficiency. The County may apply to the payment of the principal of and interest on the Bonds any funds received by it from the State of Maryland, the United States of America, or any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting

the County in obtaining public facilities of the class or classes of public facilities for which the Bonds, or the respective portions of the Bonds, are authorized or may be otherwise lawfully applied to such payment; to the extent that any such funds are applied to such purposes in any fiscal year as provided herein, the taxes hereby required to be levied shall be reduced proportionately.

The full faith and credit of the County and the taxing power of the County, subject to said Section 817B limitation, are hereby irrevocably pledged both to the punctual payment of the maturing principal of and interest on the Bonds as and when such principal and interest respectively become due, and to the levy and collection of the taxes hereinabove prescribed as and when such taxes become necessary in order to provide sufficient funds to meet the debt service requirement of the Bonds. The County hereby solemnly covenants with each of the registered owners of any of the Bonds to take all action as may be appropriate from time to time during the period that any of the Bonds remain outstanding and unpaid to provide the funds necessary to make the principal and interest payments on the Bonds. The debt service requirements of the Bonds shall have a first and prior claim on all moneys of the General Fund of the County on a parity with the claim for moneys required for payment of debt service on all other County general obligation bonds whether issued prior to or after the issuance of the Bonds; it is recognized, however, that some general obligation bonds of the County constitute a pledge of the unlimited taxing

power of the County. The County further covenants and agrees with each of the registered owners of any of the Bonds to levy and collect the taxes hereinabove prescribed, subject to said limitation.

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

SECTION 14. BE IT FURTHER ENACTED that the County Executive and the Chief Administrative Officer shall be the officers of the County responsible for the issuance of any Bonds within the meaning of the "arbitrage regulations" (defined below).

The County Executive, the Chief Administrative Officer and the Director of Finance shall be the officers of the County responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the County (the "Tax and Section 148 Certificate") which complies with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended ("Section 148"), and the applicable regulations thereunder (the "arbitrage regulations"), and such officials are hereby directed to execute the Tax and Section 148 Certificate and to deliver the same to bond counsel on the

date of the issuance of the Bonds.

The County shall set forth in the Tax and Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any moneys, securities or other obligations on deposit to the credit of any account of the County which may be deemed to be proceeds of the Bonds pursuant to Section 148 or the arbitrage regulations (collectively, "Bond Proceeds"). The County covenants that the facts, estimates and circumstances set forth in the Tax and Section 148 Certificate will be based on the County's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the certifying officials' knowledge, true and correct, as of that date. The County shall also set forth in the Tax and Section 148 Certificate any elections provided for or permitted under the provisions of the Internal Revenue Code of 1986, as amended, that the officials executing the Tax and Section 148 Certificate deem advisable.

In the event that Bonds are issued pursuant to this Act with the expectation that interest on such Bonds will be excludable from gross income for federal income tax purposes, the County covenants with each of the registered owners of any of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 and the arbitrage regulations. The County further solemnly covenants that it

will comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder which are applicable to the Bonds on the date of issuance thereof and which may subsequently lawfully be made applicable thereto as long as the Bonds remain outstanding and unpaid. The County Executive, the Chief Administrative Officer and the Director of Finance of the County are hereby authorized and directed to prepare or cause to be prepared and to execute, respectively, any certification, opinion or other document, including, without limitation the Tax and Section 148 Certificate which may be required to assure that the Bonds will not be deemed to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

The County further covenants with each of the registered owners of any of the Bonds (i) that it will not take any action or (to the extent that it exercises control or direction) permit any action to be taken that would cause the Bonds or a portion of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended, and (ii) that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds of the Bonds or a portion of such proceeds that would cause the Bonds or a portion of the Bonds to be "private activity bonds" within the meaning of Section 141(b) and (c) of the Internal Revenue Code of 1986, as amended.

In the event that Bonds are issued pursuant to this Act

with the expectation that interest on such Bonds will be excludable from gross income for federal income tax purposes, the County Executive may make such covenants or agreements in connection with the issuance of such Bonds as he or she shall deem advisable in order to assure the registered owners of such Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the County so long as the observance by the County of any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest on such Bonds from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the County regarding compliance with the provisions of the Internal Revenue Code of 1986, as amended, as the County Executive shall deem advisable in order to assure the registered owners of such Bonds that the interest thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the investment of Bond Proceeds, the payment of certain earnings resulting from such investment to the United States (or certain payments in lieu thereof as provided in the Internal Revenue Code of 1986, as amended), limitations on the times within which, and the purpose for which, Bond Proceeds may be expended, or the use of specified procedures for accounting for and segregating Bond Proceeds. Any covenant or agreement made by the County Executive pursuant

to this paragraph shall be set forth in or authorized by an order executed by the County Executive.

SECTION 15. BE IT FURTHER ENACTED that the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, is hereby authorized to select and appoint a bank or other financial institution to act as paying agent for the payment of the principal and redemption price, if any, of and interest on the Bonds and to act as registrar for the Bonds. The selection of the paying agent and bond registrar shall be accomplished in accordance with applicable provisions of law. In the event that the Bonds are issued in book-entry form, the County Executive may determine that a Bond Registrar need not be designated or that the County shall act as bond registrar and paying agent.

SECTION 16. BE IT FURTHER ENACTED that the powers granted by this Act are additional and cumulative and the bonds authorized by this Act may be issued, notwithstanding that other bond acts or laws may provide for the issuance of other bonds or the borrowing of money for the same or similar purposes on the same or other terms and conditions. This Act shall be liberally construed to effectuate its purposes, namely, to authorize the borrowing of money and the incurring of indebtedness to finance the Authorized Capital Projects set forth in this Act. Provisions of this Act shall be deemed met and satisfied if there is substantial compliance with such provisions. This Act is not intended to provide or imply that this Act or any prior act not containing a similar provision

precludes the County from exercising any power or prerogative provided by this Act or any other law whether exercised solely pursuant to such other law or in conjunction with the powers provided by this Act so that, without limiting the generality of this section, the County may exercise the power to issue (i) bond anticipation notes (in anticipation of the issuance of bonds pursuant to this Act or otherwise) and grant anticipation notes pursuant to Section 12 of Article 31 of the Annotated Code of Maryland, as amended, replaced, or recodified from time to time, and (ii) bonds (or any related bond anticipation or other notes) authorized by Sections 14-201 to 14-214, inclusive, of Article 41 of the Annotated Code of Maryland, as amended, replaced, or recodified from time to time, and in exercising such powers, the County may sell such notes or bonds at private (negotiated) sale as authorized by these or any other applicable laws.

SECTION 17. BE IT FURTHER ENACTED that in order to avoid the issuance of a greater amount of Bonds for the Authorized Capital Projects listed in the Table of Projects than is needed therefor, and in order to permit the construction of such projects to proceed prior to the issuance of Bonds and at the same time afford the County maximum flexibility in selecting the most advantageous times for such issuance, the County may provide needed capital funds by the issue and sale of its bond anticipation notes (the "Notes") pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time (the "Bond

Anticipation Note Act").

(1) The maximum principal amount of such notes issued pursuant to this Section which may be outstanding at any time shall be Fifty-eight Million Six Hundred Sixty Thousand Dollars (\$58,660,000) unless and until otherwise provided by the County Council by act. The Notes may be paid at or prior to maturity from the proceeds of the issuance and sale of the Bonds in anticipation of which the Notes were issued or from the proceeds of refunding Notes. Except as otherwise provided herein, in the event of such an advance refunding, the proceeds of such refunding Bonds or Notes shall be held in escrow, to the extent and in the amount necessary to refund the outstanding series of Notes, for the benefit of the holders of the outstanding series of Notes. Such refunding Notes, if issued, will constitute a reissuance of the Notes authorized by this Act and shall not constitute additional indebtedness under such authorization.

(2) All or any part of the Notes may be issued in series as funds are required, as determined by the County Executive.

(3) None of the Notes shall be sold at less than the par value thereof except Commercial Paper Notes (hereinafter defined) as hereinafter provided, nor shall any such notes bear interest at a rate in excess of the maximum interest rate, if any, specified by the County Council by Public Local Law to be payable on obligations of Prince George's County, Maryland.

(4) With respect to any Notes issued, the County hereby

covenants and agrees with the holder or holders thereof to issue, upon its full faith and credit, the Bonds in anticipation of the sale of which the Notes are issued when, and as soon as, the reason for deferring the issuance thereof no longer exists and to pay the principal of and interest on (to the extent such interest has not been capitalized, or otherwise paid, by appropriations from current revenues) such Notes from the proceeds of such Bonds. This covenant shall be binding upon the County notwithstanding any limitation set forth in this Act, including (without limitation) any limitation with respect to the interest rate or rates that the Bonds may bear. If the County shall be unable, for reasons beyond its control, to issue and sell its Bonds as described above, or if the proceeds from the sale of such Bonds shall be insufficient to pay the principal of and interest on any Notes issued, then the revenues from taxes and other sources intended for application to debt service on such Bonds shall be applied to the payment of the interest on and principal of the Notes. The foregoing provisions shall not be construed so as to prohibit the County from paying the principal or redemption price of and interest on any Note issued hereunder from the proceeds of the sale of any other Note issued hereunder, or from any other funds legally available for that purpose. If the County shall be unable, for reasons beyond its control, to issue and sell its Bonds, or if the proceeds from the sale of such Bonds shall be insufficient to pay the principal of or interest on any Notes issued, then the County shall, subject to

the limitation on the levy of the real property tax set out in Section 817B of the County Charter, include in the levy in each and every fiscal year during which any of the Notes are outstanding ad valorem taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the interest on the Notes payable during such fiscal year and the principal of all of the Notes maturing in each such fiscal year; and in the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied, subject also to said limitation, in succeeding fiscal years to make up such deficiency. The County may apply to the payment of the principal of and interest on the Notes any funds received by it from the State of Maryland, the United States of America, or any agency or instrumentality thereof, or from any other source, if such funds are granted for the purposes of assisting the County in obtaining public facilities of the class or classes of public facilities for which the Notes, or the respective portions of the Notes, are authorized or may be otherwise lawfully applied to such payment; to the extent that any such funds are applied to such purposes in any fiscal year as provided herein, the taxes hereby required to be levied shall be reduced proportionately.

The full faith and credit of the County and the taxing power of the County, subject to said Section 817B limitation, are hereby irrevocably pledged both to the punctual payment of the

maturing principal of and interest on the Notes as and when such principal and interest respectively become due, and to the levy and collection of the taxes hereinabove prescribed as and when such taxes become necessary in order to provide sufficient funds to meet the debt service requirement of the Notes. The County hereby solemnly covenants with each of the owners of any of the Notes to take all action as may be appropriate from time to time during the period that any of the Notes remain outstanding and unpaid to provide the funds necessary to make the principal and interest payments on the Notes. The debt service requirements of the Notes shall have a first and prior claim on all moneys of the General Fund of the County on a parity with the claim for moneys required for payment of debt service on all other County general obligation indebtedness whether issued prior to or after the issuance of the Notes; it is recognized, however, that some general obligation bonds of the County constitute a pledge of the unlimited taxing power of the County. The County further covenants and agrees with each of the owners of any of the Notes to levy and collect the taxes hereinabove prescribed, subject to said limitation.

(5) In the event that any Notes (the "Outstanding Notes") issued hereunder are outstanding on the date that the Bonds in anticipation of which such Notes are issued are delivered in exchange for the purchase price thereof (the "Delivery Date"), the Director of Finance shall deposit with the paying agent for the Notes, or a trustee or escrow agent, on the Delivery Date (i) cash in an amount equal to the

principal of the Outstanding Notes or (ii) direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the United States of America, the principal of and interest on which will be sufficient without reinvestment to pay in a timely manner the principal of the Outstanding Notes when due. Such paying agent or trustee or escrow agent is hereby irrevocably directed to apply such cash or the proceeds of such obligations to the payment of the principal of the Outstanding Notes when due. The County may provide such cash or obligations from the proceeds of the sale of such Bonds or from any other funds legally available for such purpose. On the Delivery Date, the Director of Finance shall also deposit with the paying agent for the Outstanding Notes, or a trustee or escrow agent (i) cash in an amount equal to the interest on the Outstanding Notes when due or (ii) direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the United States of America, the principal of and interest on which will be sufficient without reinvestment to pay in a timely manner interest on the Outstanding Notes when due. The County may provide such cash obligations from the proceeds of the sale of Bonds available for that purpose or from any other funds legally available for such purpose. Notwithstanding the foregoing, if the Delivery Date and the date on which the Outstanding Notes mature are in different fiscal years, and moneys for the payment of the interest on the Outstanding Notes have not been finally appropriated in the fiscal year in which the Bonds are delivered, and if the

Delivery Date is after the date on which the budget for the succeeding fiscal year has been submitted to the County Council and provision for the payment of the interest on such Outstanding Notes has been made in such budget, in lieu of the deposit of such cash or obligations for the payment of interest on the Outstanding Notes, the County Executive, the Director of Finance and the County Administrative Officer may deliver a certificate on the Delivery Date of the Bonds stating that funds sufficient to pay the interest on the Outstanding Notes have been included in the budget for the next succeeding fiscal year (it being provided by the Bond Anticipation Note Act that the Notes shall be payable from the first proceeds of the sale of the Bonds, or from the tax or other revenue which the County shall have previously determined to apply to the payment of the Bonds and the interest thereon). Upon the deposit with the paying agent for the Outstanding Notes, or a trustee or escrow agent, of cash or obligations sufficient to provide for the payment of the principal of and interest on such Notes when due, as described above, such Notes shall be deemed to be paid and no longer outstanding hereunder.

(6) With respect to the authorization, issuance, execution, sale, delivery and payment of and for any Notes, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may determine, approve or authorize:

(i) the identification of any series of Notes;

- (ii) the form of any Notes;
- (iii) the denominations of the Notes;
- (iv) the maturity of any Notes;
- (v) manner of execution and authentication of any Notes;
- (vi) the rate or rates of interest of any Notes or the manner for determining the same;
- (vii) the interest payment dates of any Notes;
- (viii) the redemption provisions applicable to any Notes;
- (ix) the manner of sale of any Notes, which may be by private (negotiated) sale, and the procedures to be followed in connection with any such sale;
- (x) the form and manner of execution and delivery of documents necessary or deemed appropriate in connection with the authorization, issuance, execution, sale, delivery and payment of and for any Notes; and
- (xi) such other matters not inconsistent with the provisions of this Act as are necessary or deemed appropriate to accomplishing the issuance and sale of Notes hereunder.

(7) The Notes (or any portion of them) may be consolidated for sale and issued, sold and delivered as a single issue of Notes or as two or more issues of Notes, or may be consolidated with other notes or indebtedness of the County, as authorized by Section 2C of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time.

(8) References to "Bonds" in Section 14 of this Act shall be deemed to include Notes.

(9) The authority conferred on the County Executive in Section 15 of this Act in connection with the issuance of Bonds hereunder, with respect to the appointment of paying agents and a registrar, may also be exercised with respect to the issuance and sale of Notes hereunder.

(10) References to "bonds authorized by this Act" in Section 16 of this Act shall be deemed to include Notes, unless the context clearly requires otherwise.

(11) Pursuant to the Bond Anticipation Note Act, the County is hereby authorized to issue the aforementioned Notes as notes in the nature of commercial paper and to establish a commercial paper program. Accordingly, the County is hereby authorized to issue two or more separate and distinct series of its Notes, which may include (1) a series of its Notes in the nature of tax exempt commercial paper (the "Commercial Paper Notes") and (2) a series of its Notes in connection with a liquidity facility, such as a revolving loan agreement, or a series of its Notes in connection with a credit facility, such as a letter of credit and related agreements (collectively, the "Revolving Loan Notes") (the Commercial Paper Notes and the Revolving Loan Notes being collectively referred to herein as the "Program Notes"). The word "Notes," as used in this Act, include Program Notes, and it is intended that the provisions of this Act applying to Notes shall include Program Notes unless the context clearly requires a contrary meaning.

For the purposes of this Act, the term "principal amount," when used with respect to the Program Notes, shall mean (i) in the case of Commercial Paper Notes, the face amount of any such Commercial Paper Note, less any original issue discount on such Commercial Paper Note, and (ii) in the case of Revolving Loan Notes, the principal amount actually advanced under the applicable liquidity facility or credit facility that is evidenced by any such Revolving Loan Note. Accordingly, it is contemplated by this Act that the aggregate face amount of the Program Notes that may be outstanding from time to time hereunder, together with other Notes issued hereunder and outstanding from time to time, may exceed the aggregate principal amount of Notes authorized to be outstanding hereunder at any one time.

Without limiting the generality of other provisions of this Act, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may determine, approve or authorize:

(i) procedures to facilitate the prompt determination and approval of matters in connection with the authorization, issuance, execution, sale, delivery and payment of and for Commercial Paper Notes;

(ii) the form and manner of execution and delivery of documents necessary or deemed appropriate in connection with the authorization, issuance, execution, sale, delivery and payment of and for Program Notes;

(iii) the selection of any trustee, issuing agent,

payment agent, commercial paper dealer, credit or liquidity facility provider or other provider of financial or related services necessary or deemed appropriate to the authorization, issuance, execution, sale, delivery and payment of and for Program Notes; and

(iv) such other matters not inconsistent with this Act necessary or deemed appropriate to accomplishing the authorization, issuance, execution, sale, delivery and payment of and for Program Notes.

SECTION 18. BE IT FURTHER ENACTED that it is hereby found and determined as follows: (i) it is in the best interest of the County to be able to implement a flexible approach to borrowing (that is, one which provides the ability to utilize variable rate demand obligations, tax exempt commercial paper and short-term municipal obligations [collectively, "Variable Rate Demand Obligations"]); (ii) there is an expanding market for Variable Rate Demand Obligations, which have varying and flexible maturities or redemption features, tender or purchase dates and bear interest at variable rates established by a remarketing agent on the basis of current market conditions, or combinations of such maturities or redemption, tender or purchase dates and rates and to access this market the County must establish procedures consistent with market practices for Variable Rate Demand Obligations; and (iii) existing practices in the market for Variable Rate Demand Obligations and existing requirements of nationally recognized rating agencies require that there be available to the issuer of Variable Rate Demand

Obligations a supporting credit or liquidity facility, such as a letter of credit, line of credit or revolving loan agreement, pursuant to which an alternate source of borrowing will be available during any period in which such obligations cannot be remarketed or sold.

Notes or Bonds are hereby authorized to be issued as short-term or demand obligations or commercial paper, defined above as Variable Rate Demand Obligations, including obligations that are required to be purchased or redeemed prior to stated maturity dates, bear interest at variable rates and mature on dates established from time to time by a remarketing agent on the basis of current market conditions. If any Bonds or Notes issued in accordance with this Section 18 provide for the mandatory redemption, tender or purchase thereof prior to stated maturity dates, the form of Bond or Note (as the case may be) may provide, to the extent permitted by law and determined by the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, that the full faith and credit and unlimited taxing power of the County are pledged to the payment of the purchase or redemption price on the due dates for such payments, subject to the limitation on the levy of the real property tax set out in Section 817B of the County Charter.

Without limiting the generality of other provisions of this Act, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may determine, approve or authorize:

(i) procedures for the determination of the interest rates, the interest payment dates, the maturities and any mandatory redemption, tender or purchase dates of Bonds or Notes described in this Section 18 in order to implement the financing authorized hereby;

(ii) the form and manner of execution and delivery of documents necessary or deemed appropriate in connection with the authorization, issuance, execution, sale, delivery and payment of and for Variable Rate Demand Obligations;

(iii) the selection of any trustee, issuing agent, paying agent, tender agent, credit or liquidity facility provider or other provider of financial or related services necessary or deemed appropriate to the authorization, issuance, execution, sale, delivery and payment of and for Variable Rate Demand Obligations; and

(iv) such other matters not inconsistent with this Act necessary or deemed appropriate to accomplishing the authorization, issuance, execution, sale, delivery and payment of and for Variable Rate Demand Obligations.

SECTION 19. BE IT FURTHER ENACTED that, pursuant to Section 30 of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time (the "Registration Statute"), the Bonds or Notes issued hereunder may be issued in "registered form" within the meaning of the Registration Statute, as may be determined by the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, who may determine, approve or

authorize the selection of trustees, transfer agents, registrars, paying or other agents, a custodian for a central depository or book entry system and appropriate agreements with any of the foregoing and such other matters not inconsistent with this Act necessary or deemed appropriate in connection with the issuance of Bonds or Notes in "registered form" within the meaning of the Registration Statute.

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

SECTION 21. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 23rd day of June, 1992.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Richard J. Castaldi  
Chairman

ATTEST:

\_\_\_\_\_  
Joyce T. Sweeney  
Acting Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
\_\_\_\_\_  
Parris N. Glendening  
County Executive

KEY:

Underscoring indicates language added to existing law.  
[Brackets] indicate language deleted from existing law.  
Asterisks \*\*\* indicate intervening existing Code provisions that remain unchanged.

ATTACHMENT 1

[Table of Projects]

(Available in hard copy only)

ATTACHMENT 2

To CB-66-1992

FORM OF BOND

(Face of Registered Bond)

REGISTERED UNITED STATES OF AMERICA

REGISTERED

STATE OF MARYLAND

No. R \_\_\_\_\_ \$ \_\_\_\_\_

PRINCE GEORGE'S COUNTY, MARYLAND

CONSOLIDATED PUBLIC IMPROVEMENT BOND, SERIES 199\_

	Interest Rate	Maturity Date	Original Issue
Date	CUSIP		
(per annum)	_____	_____, 199_	_____

Registered Owner:

Principal Sum: \_\_\_\_\_ 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 Sum 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 upon presentment 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 "Paying Agent"). The interest payable on this Bond, and punctually paid or duly provided for on any interest payment date, will be paid semiannually on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year 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 fifteenth day of the month immediately preceding each interest payment date. Payment 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 therefor being given by letter mailed first class, postage prepaid, to the registered owner of such Bond not less than 10 days prior to such Special Record Date, at the address of such 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 a day other than a Saturday, Sunday, or day on which the County is authorized or obligated by law or required by executive order to remain closed.

All payment of the principal of, redemption price and interest 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.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.

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 817B of the County Charter which 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."

The principal of and interest on this Bond are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered and directed to levy, subject to said 817B limitation, upon all the legally assessable property within the corporate limits of the County. The County has covenanted, subject to said Section 817B limitation, 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.

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 and Enabling Acts of the County 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.

This Bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws, County Charter, Authorization Ordinance or Enabling Acts 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 by the manual or facsimile of its corporate seal affixed or imprinted hereon, attested by the manual or facsimile signature of the Clerk of the County Council of the County; it has caused this Bond to be authenticated by the manual signature of an authorized signatory of the Bond Registrar.

COUNTY, MARYLAND

PRINCE GEORGE'S

BY \_\_\_\_\_  
County Executive

(SEAL)

ATTEST:

\_\_\_\_\_  
County Council

Clerk of the

Date of Authentication and Registration:

This is one of the registered bonds of Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 199\_, of Prince George's County, Maryland.

\_\_\_\_\_  
as Bond Registrar

BY: \_\_\_\_\_  
Authorized Officer

(Back of Registered Bond)

PRINCE GEORGE'S COUNTY, MARYLAND

CONSOLIDATED PUBLIC IMPROVEMENT BOND, Series 199\_

This Bond is one of a duly authorized issue of General Obligation Bonds of the County, designated "Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 199\_", all dated \_\_\_\_\_ 1, 199\_, and all of like tenor and effect, except as to numbers, interest rates, denominations, maturities and option of redemption. The Bonds are issued under the authority of Article 25A of the Annotated Code of Maryland (1990 Replacement Volume and 1991 Supplement), the Charter of Prince George's County, Maryland (the "County Charter") and Council Bill CB-\_\_ - 199\_, (the "Authorization Ordinance") and the bond enabling acts cited therein (the "Enabling Acts").

The Bonds maturing in any one year are issuable in fully registered form, in denominations of \$5000 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 their maturities, but not necessarily continuously consecutively, from No. 1 prefixed by the letter "R". Said Bonds bear interest at the following rates per annum, mature and are payable on \_\_\_\_\_ 1 in the following years and aggregate amounts:

<u>Year of Interest Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	
1993	\$ _____	%	2003	\$ _____	%
1994	_____	%	2004	_____	
%					
1995	_____	%	2005	_____	
%	1996 _____		%	2006 _____	
%					
1997	_____	%	2007	_____	
%	1998 _____		%	2008 _____	
		%			
1999	_____	%	2009	_____	
%					
2000	_____	%	2010	_____	
%					
2001	_____	%	2011	_____	
%					

2002 \_\_\_\_\_ % 2012 \_\_\_\_\_  
%

\_\_\_\_\_ will provide services as Bond Registrar to open books for the registration and for the transfer of registered Bonds. This Bond will be transferable only upon the Bond Register kept at the Office of \_\_\_\_\_ 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.

The 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 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 owner hereof for such exchange or transfer. Said new Bond or Bonds shall be delivered to the transferee only after due authentication thereof by an authorized signatory of the Bond Registrar. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning fifteen (15) days before any selection of Bonds to be redeemed and ending on the day of publication and mailing of the notice of redemption or to transfer or exchange any Bond called or being called for redemption in whole or in part.

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 interest due hereon and for all other purposes.

Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_, are subject to redemption prior to their respective maturities at the option of the County on or after \_\_\_\_\_ 1, \_\_\_\_\_, either as a whole at any time, or in part on any interest payment date in such order of maturity as directed by the County at the following redemption prices expressed as percentages of the principal amount of Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption:

Periods During Which Redeemed (both dates inclusive)	Redemption Price
_____	_____

_____	1, _____	through _____,	_____	%
_____	1, _____	through _____,	_____	%
_____	1, _____	and thereafter		100%

If less 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.

When less than all of a registered Bond in a denomination in excess of \$5,000 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 owner, registered Bonds in any of the authorized denominations, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the registered Bond so surrendered, and to bear the same interest rate 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 and not more than sixty (60) days prior to the redemption date, at the addresses of such 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 redemption proceedings, and the County shall publish such notice of redemption not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption in (i) a financial trade journal, or (ii) a daily newspaper of general circulation in the Borough of Manhattan, New York, New York. Said notice shall state for all Bonds being redeemed: the maturity date, certificate numbers, redemption date, redemption price, whether the Bonds are being redeemed in whole or in part and shall also state that the interest on the Bonds so called shall cease to accrue on the date fixed for redemption and shall require that the Bonds so called be presented for redemption and payment at the principal corporate trust office of the Paying Agent.

From and after the date fixed for redemption, if due notice by publication has been given as herein provided, and the funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date, the Bonds so designated for redemption shall cease to bear interest.

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.

(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, Piper & Marbury of Baltimore, Maryland, and Meyers, Billingsley, Shipley, Curry, Rodbell & Rosenbaum, P.A., of Riverdale, Maryland, Bond Counsel for the County, rendered an opinion to the County approving the legality of the Bonds. The executed original of said opinion 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 thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

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

Signature Guaranteed:

\_\_\_\_\_

\_\_\_\_\_  
(Signature of Registered Owner)

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

Notice: The signature to  
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.

ATTACHMENT 3

To CB-\_\_\_\_-199\_

FORM OF

NOTICE OF SALE

\$ \_\_\_\_\_

PRINCE GEORGE'S COUNTY, MARYLAND

Consolidated Public Improvement Bonds, Series 199\_

Dated: \_\_\_\_\_ 1, 199\_

SEALED 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 the County Executive Conference Room No. 2, County Administration Building, 5th Floor, Upper Marlboro, Maryland, for the purchase of the Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 199\_ (the "Bonds"), until:

11:00 a.m., local Baltimore, Maryland time,

\_\_\_\_\_, \_\_\_\_\_, 199\_

Maturities: The Bonds will mature annually, subject to prior redemption, on the first day of \_\_\_\_\_ in the following years and in the following aggregate amounts:

<u>Year of Maturity</u>	<u>Annual Amount Maturing</u>	<u>Year of Maturity</u>	<u>Annual Amount Maturing</u>
1993	\$ _____	2003	\$ _____
1994	\$ _____	2004	\$ _____
1995	\$ _____	2005	\$ _____
1996	\$ _____	2006	\$ _____
1997	\$ _____	2007	\$ _____
1998	\$ _____	2008	\$ _____
1999	\$ _____	2009	\$ _____
2000	\$ _____	2010	\$ _____
2001	\$ _____	2011	\$ _____
2002	\$ _____	2012	\$ _____

Form of Bonds: The Bonds will be issued in fully registered form in the denomination of \$5,000 or any multiple thereof.

Principal and Interest Payment: Principal will be paid to the registered owner of the Bonds at the corporate trust office of \_\_\_\_\_ (the "Bond Registrar") 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, upon presentment and surrender of the Bonds. Interest on the Bonds is payable on \_\_\_\_\_ 1, 199\_, and semiannually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year to the registered owners of the Bonds by check mailed to each such person's address as it appears on the registration books maintained by the Bond Registrar.

"County Business Day" means a day other than a Saturday, Sunday or day on which the County is authorized or obligated by law or required by executive order to remain closed.

All payment of the principal of, redemption price and interest on the 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 subject to the provision for payment of interest by check set forth above.

Redemption: Bonds maturing on or before \_\_\_\_\_ 1, \_\_\_\_\_, are not subject to redemption prior to their maturity. Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_, are subject to redemption prior to their respective maturities at the option of the County on or after \_\_\_\_\_ 1, \_\_\_\_\_, either as a whole at any time, or in part on any interest payment date in such order of maturity as directed by the County, on at least thirty (30) and not more than sixty (60) days' notice, at the following redemption prices expressed as percentages of the principal amount of Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption:

<u>Period During Which Redeemed (both dates inclusive)</u>	<u>Redemption Price</u>
_____ 1, _____ through _____,	_____
%	
_____ 1, _____ through _____,	_____
%	
_____ 1, _____ and thereafter	_____
100%	

If less 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 identified by lot by the Bond

Registrar.

Authority to Issue: The Bonds are to be issued under the authority of Article 25A of the Annotated Code of Maryland (1990 Replacement Volume and 1991 Supplement), the Charter of Prince George's County, Maryland and Council Bill CB-\_\_-199\_.

Purpose: The Bonds are being issued to provide funds for the purpose of construction, acquisition, improvement or extension of certain capital projects including [school buildings, library and community college facilities, fire stations, police and corrections facilities, roads and road rehabilitation, parking facilities, mass transit, and County buildings and facilities].

Source 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 Bonds. To provide for the payment of the 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 limitation set forth in Section 817B of the County Charter which 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."

Minority Participation: The County encourages each bidder for the Bonds to make a good faith effort to include minority business enterprises in the syndicate purchasing the 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 in some manner. Upon request, the Director of Finance of the County and the financial advisors to the County will make available a nonexclusive list of underwriters and investment bankers the County has identified as minority business enterprises.

#### TERMS OF SALE

Price and Interest Rate Bid: Each bidder shall submit one bid on an "all- or-none" basis. Each proposal must specify the amount bid for the Bonds which must be at least par and must specify the rate or rates of interest to be paid thereon, in

multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate; the difference between the maximum and minimum interest rates specified may not exceed two percent (2%) and the rate named for the Bonds of any one maturity may not be less than the rate named for the Bonds of an earlier maturity. A zero rate cannot be named for any maturity.

Form of Bid: 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 of Prince George's County, Maryland, County Executive Conference Room No. 2, County Administration Building, 5th Floor, Upper Marlboro, Maryland," and marked on the outside "Bid for Bonds." Each bid shall be accompanied by a listing of the members of the purchasing syndicate and the contribution of each member thereof.

Bid Check: Bids must be accompanied by a good faith deposit of a certified check upon, or a cashier's or treasurer's or official check of, a responsible banking institution, payable to Prince George's County, Maryland for \$\_\_\_\_\_; such payment to be security for compliance with the terms of the sale. No interest will be allowed on any such security payment. The check of the successful bidder will be collected and the proceeds thereof retained by the County to be applied in part payment for the Bonds, and no interest will be allowed upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds of such check will be retained as and for full liquidated damages. The checks of the unsuccessful bidders will be returned promptly after the Bonds are awarded.

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 Bonds. No bid at less than par and accrued interest will be considered. The right is reserved to reject any and all bids.

The award of the 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 from the payment dates to the date of the Bonds and to the price bid, excluding interest accrued to the date of delivery. If two or more responsible bidders have made proposals, each of which represents the lowest interest rate to the County, then the Bonds shall be awarded to the bidder offering the highest premium, and, if the highest premium is

offered by two or more such bidders or if no premium is bid by any of such bidders, then the Bonds may be awarded, with their consent, in a ratable portion among such bidders, or the County may, in its discretion, determine to which of such bidders the 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 Bonds shall make a good faith effort to elicit minority business enterprises to participate in the syndicate purchasing the Bonds, but such requirement shall in no way affect the award of this issue of Bonds.

Delivery and Payment: The Bonds will be delivered at 10:00 a.m. local Baltimore, Maryland time on \_\_\_\_\_, 199\_, 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 The Depository Trust Company ("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.

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

The 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 Bonds will be subject to legal approval by Piper & Marbury, Baltimore, Maryland, and Meyers, Billingsley, Shipley, Curry, Rodbell & Rosenbaum, P.A., Riverdale, Maryland, whose approving opinions will be delivered upon request, without charge, to the successful bidder for the Bonds.

Official Statement: Within seven (7) County Business Days after the award of the 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 such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"). If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement.

The successful bidder shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by the successful bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 500 copies of the Official Statement (and any amendment or supplement thereto).

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

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that simultaneously with or before delivery and payment for the Bonds said 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, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenue of the County, except as reflected or contemplated in the Official Statement.

The purchasers of the Bonds, by submitting their bids, agree to provide a certificate acceptable to Bond Counsel stating: (i) the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Bonds (the "Reoffering Prices"); (ii) that the successful bidder has made a bona fide public offering of the Bonds at the reoffering prices; and (iii) that a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) at such Reoffering Prices. Bond Counsel advises that (i) such certificate must be made on the best

knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at (or below) the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Contact Persons: The Preliminary Official Statement concerning this sale of Bonds, together with the required form of Bid for Bonds, the financial statement of the County and other data in reference thereto 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 Eric M. Tucker, Director of Finance of Prince George's County, Room 3200, County Administration Building, Upper Marlboro, Maryland 20772, (301) 952-3740 or from [insert name, address and telephone number of Financial Advisor]. Such Preliminary Official Statement is deemed final by the County for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

PRINCE GEORGE'S COUNTY, MARYLAND

BY \_\_\_\_\_

Parris N. Glendening  
County Executive

FORM OF

BID FOR BONDS

Director of Finance  
Prince George's County, Maryland  
County Administration Building  
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 Bonds, we offer to purchase the obligations of Prince George's County, Maryland, described in such Notice of Sale, being \$\_\_\_\_\_ in aggregate principal amount of the Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 199\_. Such Bonds are to be dated \_\_\_\_\_ 1, 199\_, to mature in the several years shown in the table below (subject to prior redemption as provided in such Notice of Sale), and to bear interest at the rates per annum set opposite such years, respectively, in said table, and to pay \$\_\_\_\_\_, the par value of said obligations, plus a premium of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), plus an amount equal to the interest on said bonds accrued from the date of said Bonds (\_\_\_\_\_ 1, 199\_) to the date of delivery of said Bonds which will bear interest at the following rates:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>
<u>Rate</u>				
			1993	\$
% 2003	\$	%	%	
% 1994	\$	%	2004	\$
% 1995	\$	%	2005	\$
% 1996	\$	%	2006	\$
% 1997	\$	%	2007	\$
% 1998	\$	%	2008	\$
% 1999	\$	%	2009	\$
% 2000	\$	%	2010	\$
% 2001	\$	%	2011	\$
%				

2002	\$	%	2012	\$
%				

We enclose herewith a certified check upon, or a cashier's or treasurer's or official check of, a responsible banking institution, payable to the order of Prince George's County, Maryland, in the amount of \$\_\_\_\_\_, which check is to be applied in accordance with the Notice of Sale.

(NOTE: Not a part of this bid. The rate of interest determined under the True Interest Cost Method set forth in the Notice of Sale is \_\_\_\_\_% per annum. This information is requested to expedite and facilitate prompt determination of the best bid. The omission or inaccuracy of these figures will not affect the validity of the bid.

Accompanying this bid is a list of the members of the bidding syndicate and the initial contribution of each member. Minority business enterprises are designated with an asterisk (\*).

By: \_\_\_\_\_