

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2006 Legislative Session**

Bill No. CB-57-2006

Chapter No. 47

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

Introduced by Council Members Peters, Knotts, Dean, Harrington, Campos and Bland

Co-Sponsors \_\_\_\_\_

Date of Introduction June 20, 2006

**BILL**

1 AN ACT concerning

2 The Issuance and Sale of General Obligation

3 Stormwater Management Bonds

4 For the purpose of authorizing and empowering Prince George's County, Maryland to issue and  
5 sell an amount not to exceed Nine Million Seven Hundred One Thousand Dollars (\$9,701,000)  
6 in aggregate principal amount of general obligation stormwater management bonds for the  
7 purpose of providing funds for financing in whole or in part costs of the planning, acquisition,  
8 construction, reconstruction, establishment, extension, enlargement, demolition or purchase of  
9 certain capital projects set forth in the capital budget of the County for the fiscal year ending  
10 June 30, 2007, constituting facilities (including without limitation any land, interest in land or  
11 equipment) for the control and disposition of storm and surface waters, including floodproofing,  
12 flood control or navigation programs and other stormwater programs and systems, environmental  
13 restoration and/or wetlands construction, and the protection, conservation, creation and  
14 acquisition of certain property described in the Maryland Annotated Code Environment Article  
15 consistent with federal and Maryland laws and regulations on the subject of nontidal and private  
16 wetlands, as applicable, including describing the capital projects to be financed in whole or in  
17 part from the proceeds of the bonds hereby authorized and the estimated costs thereof;  
18 prescribing or providing for the procedures for the issuance and sale of such bonds, including at  
19 private (negotiated) sale or public sale; declaring the County's official intent to reimburse itself  
20 for certain expenditures paid before the issuance of the bonds authorized hereby in accordance  
21 with applicable Income Tax Regulations; authorizing the consolidation of such bonds with other

1 bonds for purposes of such sale; directing the application of the proceeds of such bonds;  
 2 providing for the levy and collection of taxes necessary for the payment of the principal of and  
 3 interest on such bonds when due; authorizing and empowering the County to issue and sell an  
 4 amount not to exceed Nine Million Seven Hundred One Thousand Dollars (\$9,701,000) in  
 5 general obligation stormwater management bond anticipation notes in anticipation of the  
 6 issuance and sale of the bonds authorized hereby; providing for the issuance of such bond  
 7 anticipation notes in the form of commercial paper or revolving loan notes; providing for the  
 8 issuance of such bond anticipation notes and the bonds authorized hereby in the form of variable  
 9 rate demand obligations; authorizing certain determinations to be made in connection with the  
 10 sale of any such bond anticipation notes; authorizing the consolidation of such bond anticipation  
 11 notes with other notes for purposes of such sale; providing for the levy and collection of taxes  
 12 necessary for the payment of the principal of and interest on such bond anticipation notes when  
 13 due and covenanting to issue the bonds in anticipation of which such notes are issued;  
 14 authorizing and empowering the County to issue, sell and deliver general obligation stormwater  
 15 management refunding bonds for the purpose of refunding all or a part of the bonds authorized  
 16 hereby in an aggregate principal amount not to exceed 150% of the outstanding principal amount  
 17 of the bonds to be refunded thereby, the proceeds of such refunding bonds to be used for the  
 18 public purpose of providing funds sufficient to pay principal of, redemption premium, if any, and  
 19 interest on such refunded bonds at the respective maturity, redemption, and interest payment  
 20 dates of such refunded bonds; prescribing or providing for the procedure for the issuance and  
 21 sale of such refunding bonds; empowering the County Executive to determine the time and  
 22 method for the sale of such refunding bonds and other details with respect to the sale of such  
 23 refunding bonds; providing for the levy and collection of taxes necessary for the payment of the  
 24 principal of and interest on such refunding bonds when due; covenanting or providing for the  
 25 making of certain covenants on matters relating to the tax-exempt status of interest on such  
 26 bonds, bond anticipation notes and refunding bonds, as applicable; providing for compliance  
 27 with Securities and Exchange Commission Rule 15c2-12; providing for the authorization of and  
 28 entry into interest rate exchange agreements or contracts in connection with or incidental to any  
 29 of the obligations authorized by this Act; authorizing the County Executive to delegate to  
 30 appropriate officials the power to make certain determinations and sign certain documents,  
 31 certificates or agreements authorized to be made or signed by the County Executive herein; and

1 otherwise generally determining or providing for the determination of certain matters in  
 2 connection with the issuance, sale and delivery of the stormwater management bonds, bond  
 3 anticipation notes and refunding bonds authorized by this Act.

4 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,  
 5 Maryland, that that the issuance, sale and delivery of general obligation stormwater management  
 6 bonds (the "Bonds") of Prince George's County, Maryland (the "County"), in one or more series  
 7 from time to time in an aggregate principal amount not exceeding Nine Million Seven Hundred  
 8 One Thousand Dollars (\$9,701,000) is hereby authorized, pursuant to Subtitle 2 of Title 3 of  
 9 Article 29 of the Annotated Code of Maryland, as amended, replaced or recodified from time to  
 10 time ("Subtitle 2"), in order to finance in whole or part costs of the planning, acquisition,  
 11 construction, reconstruction, establishment, extension, enlargement, demolition or purchase of  
 12 capital projects (the "Authorized Projects") listed in the table set forth in Attachment 1, attached  
 13 to and made a part of this Act (the "Table of Projects"), constituting facilities (including without  
 14 limitation land, interests in land or equipment) for the control and disposition of storm and  
 15 surface waters, including floodproofing, flood control or navigation programs, environmental  
 16 restoration and wetlands construction, and other stormwater programs and systems,  
 17 environmental restoration and/or wetlands construction, and the protection, conservation,  
 18 creation and acquisition of certain property described in the Maryland Annotated Code  
 19 Environment Article consistent with federal and Maryland laws and regulations on the subject of  
 20 nontidal and private wetlands, as applicable. Each Authorized Project is described in the Capital  
 21 Budget of the County for the fiscal year ended June 30, 2007 under the heading set forth in the  
 22 Table of Projects and has the identification number set forth in the Table of Projects. The  
 23 descriptions of the Authorized Projects contained in the Capital Budget are incorporated herein  
 24 by reference as if set forth fully herein. The powers granted under this Act are additional and  
 25 cumulative, and the bonds authorized by this Act may be issued, notwithstanding that other bond  
 26 acts or laws may provide for the same or similar purposes. This Act does not modify or repeal  
 27 any prior acts granting bond issuing authority for the same or similar purposes.

28 SECTION 2. BE IT FURTHER ENACTED that the attached Table of Projects lists the  
 29 Authorized Projects that are to be financed in whole or in part with the proceeds of the Bonds,  
 30 the currently estimated cost of each Authorized Project thereof (the "Total Authorized Amount")  
 31 and the portion of the Total Authorized Amount of each Authorized Project to be financed

1 hereunder (the "Amount of Bonds Requested").

2       It is hereby recognized and acknowledged that the information regarding the Total  
3 Authorized Amount and the Amount of Bonds Requested for each Authorized Project set forth in  
4 the Table of Projects is derived from information and estimates referenced in the Capital Budget  
5 and the Capital Improvement Program of the County for fiscal years 2007 through 2012,  
6 inclusive (the "Capital Improvement Program"), and is necessarily subject to change because of  
7 corresponding changes in construction and other costs, project time schedules, and other  
8 circumstances not now known or anticipated. It is the purpose and intent of this Act to authorize  
9 the borrowing of money to finance the Authorized Projects as such projects are referenced in the  
10 Capital Budget and Capital Improvement Program and in any amended or subsequent capital  
11 budget or capital improvement program. To implement the intent and purpose of this Act in the  
12 most expeditious manner, the County Executive of the County (the "County Executive") may (i)  
13 add to the Table of Projects any project contained in the Capital Improvement Program or in any  
14 amended or subsequent capital budget or capital improvement program, provided that such  
15 project is a project that may be financed by bonds issued pursuant to Subtitle 2 and this Act; (ii)  
16 delete any Authorized Project from the Table of Projects; and (iii) revise the amounts set forth in  
17 the Table of Projects representing the Total Authorized Amount and the Amount of Bonds  
18 Requested for any Authorized Project to be consistent with the information set forth in regard to  
19 such project in any amended or subsequent capital budget or capital improvement program. In  
20 the event that the Amount of Bonds Requested for an Authorized Project is less than the amount  
21 appropriated for such project in the Capital Budget or any amended or subsequent capital budget  
22 and the entire principal amount of bonds issued for the Authorized Projects is not required for  
23 such projects, the County Executive may revise the Table of Projects to increase the Amount of  
24 Bonds Requested of such Authorized Project to an amount not to exceed the appropriated  
25 amount for such project and, correspondingly, may reduce the Amount of Bonds Requested of  
26 such other Authorized Projects and make other appropriate adjustments. Nothing contained in  
27 this Act shall be deemed to preclude the County Council by resolution from effecting such a  
28 revision in the Table of Projects. The authority granted in this Act to revise the Table of Projects  
29 shall not be construed to permit an increase in the aggregate principal amount of Bonds to be  
30 issued pursuant to this Act or to effect results inconsistent with applicable laws, including  
31 without limitation Subtitle 2.

1       The County expects that certain costs of the Authorized Projects will be paid before the  
 2 date of issuance of the Bonds (or other obligations of the County to be issued after the date of  
 3 adoption of this Act) from a source of funds other than a County borrowing (each, a "Prior  
 4 Expenditure" and collectively, the "Prior Expenditures"). The County hereby declares, in  
 5 accordance with Section 1.150-2 of the Income Tax Regulations, its intention to use a portion of  
 6 the proceeds of the Bonds (or other obligations of the County to be issued after the date of  
 7 adoption of this Act) to reimburse itself for Prior Expenditures paid no earlier than 60 days  
 8 before the date of adoption of this Act. In accordance with Section 1.150-2 of the Income Tax  
 9 Regulations, the maximum principal amount of obligations expected to be issued for the  
 10 Authorized Projects is set forth in the Table of Projects. The County recognizes that, under  
 11 Section 1.150-2 of the Income Tax Regulations, the use of proceeds of the Bonds to reimburse  
 12 the County for a Prior Expenditure (other than certain de minimis or preliminary expenditures  
 13 described in Section 1.150-2(f) of the Income Tax Regulations) generally will be permitted only  
 14 to the extent that: (i) the Prior Expenditure constitutes a capital expenditure for federal income  
 15 tax purposes; (ii) the Prior Expenditure was paid not earlier than 60 days before the date of  
 16 adoption of this Act; and (iii) the allocation of proceeds of the Bonds to such reimbursement is  
 17 made not later than 18 months after the later of (a) the date the Prior Expenditure was paid, or (b)  
 18 the date the applicable Authorized Project is placed in service or abandoned, but in no event  
 19 more than three years after the Prior Expenditure was paid.

20       SECTION 3. BE IT FURTHER ENACTED that as determined by the County Executive,  
 21 the Bonds (or any portion of them, as applicable) may be issued, sold and delivered as a single  
 22 series of Bonds or as two or more series of Bonds, or may be consolidated for issuance, sale and  
 23 delivery with other bonds of the County (including bonds sold for new money and/or refunding  
 24 purposes) as contemplated by Section 2C of Article 31 of the Annotated Code of Maryland, as  
 25 amended, replaced or recodified from time to time. The Bonds of each series issued solely  
 26 pursuant to the authority of this Act shall each be designated "Prince George's County, Maryland  
 27 Stormwater Management Bonds, Series 20\_\_," and the Bonds of each series consolidated for  
 28 issuance with other bonds of the County as authorized by this Section 3 shall each be designated  
 29 "Prince George's County, Maryland Consolidated Stormwater Management Bonds, Series 20\_\_,"  
 30 and, in the event any such Bonds are issued at more than one time, the County Executive may  
 31 specify such additional designation as he shall deem appropriate. Moreover, the County

1 Executive is hereby authorized to provide such other or alternative designation as he deems  
2 necessary or convenient.

3 Upon consolidation of any of the Bonds with general obligation bonds issued pursuant to  
4 Article 25A of the Annotated Code of Maryland, as amended, and determination of the County  
5 Executive, there shall be pledged to the payment of said Bonds the full faith and credit of the  
6 County and the power of the County to levy ad valorem taxes upon all the legally assessable  
7 property within the corporate limits of the County (in addition to the pledge and levy within the  
8 Stormwater Management District effected pursuant to Section 9 hereof).

9 SECTION 4. BE IT FURTHER ENACTED that, subject to and in accordance with the  
10 provisions of this Act, the County Executive shall determine all matters relating to the sale,  
11 issuance, delivery and payment of the Bonds, including all matters relating to the forms, dates  
12 and denominations of the Bonds, the dates and amounts of principal maturities, whether all or  
13 any portion of the Bonds shall be term bonds subject to mandatory sinking fund redemption and  
14 the dates and amounts of any such redemptions, the methods to be used in determining interest  
15 payable on the Bonds and the dates on which such interest is payable, the provision of bond  
16 insurance on all or any portion of the Bonds, and provisions for registration of the Bonds, for  
17 their redemption prior to stated maturity, and for the use of facsimile signatures or seals, whether  
18 the Bonds are to be issued in book-entry form and all matters incident to the issuance of the  
19 Bonds in book-entry form. The County Executive shall provide for the form, numbering, term  
20 and authentication of the Bonds and the form and manner of execution and delivery of all  
21 documents necessary or deemed appropriate in connection with the authorization, issuance,  
22 execution, sale, delivery and payment of and for the Bonds. The County Executive may provide  
23 that no Bonds shall be issued for certain Authorized Projects authorized by this Act to be  
24 financed by the Bonds and reduce the aggregate principal amount of Bonds to be issued  
25 accordingly. The County Executive may provide for a reduction in the aggregate principal  
26 amount of Bonds to be issued consistent with a determination of the minimum bond  
27 denomination size based on municipal security market practices regarding denomination size,  
28 and for a corresponding reduction in the principal amount of Bonds issued to finance the cost of  
29 any Authorized Project. It is hereby recognized and acknowledged that, in order to manage  
30 prudently the capital programs of the County, particularly in light of federal income tax laws and  
31 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 Amount of Bonds Requested for an Authorized 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 permitted under this Act shall authorize or permit a reduction in the principal amount of Bonds issued for an Authorized Project below the amount for which the County Council has authorized temporary borrowing from other County funds.

The County Executive may provide for certain maturities of the Bonds to be subject to prior redemption at the option of the County. If the County Executive 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 authority contained in Subtitle 2 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 County Executive shall determine whether the Bonds shall be sold at public sale by electronic bids and/or written sealed proposals or by private (negotiated) sale and the procedures to be followed in connection with any such sale. Authority is hereby expressly delegated to the County Executive to (i) fix the date and the time of the sale of the Bonds; (ii) determine the form and terms of any Notice of Sale; (iii) to determine whether any Notice of Sale shall be disseminated in electronic form and/or whether such Notice of Sale or a summary thereof shall be published in connection with any public sale of the Bonds; and (iv) to award the Bonds at public sale or to approve the form and terms of, and authorize the execution and delivery by and on behalf of the County of, a bond purchase agreement with underwriters purchasing the Bonds in any private (negotiated) sale. The Bonds may be sold at, above or below the par value thereof.

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 or co-bond counsel with respect to such Bonds. Any such printed text shall be certified to be a correct copy of said opinion by the

1 manual or facsimile signature of the County Executive.

2 The Bonds shall contain similar provisions and be in substantially the form set forth in  
3 Attachment 2, attached hereto and made a part hereof, and Bonds issued substantially in  
4 accordance with said form, with appropriate insertions as indicated, when properly executed and  
5 authenticated as required by this Section 6 shall be deemed to constitute unconditional general  
6 obligations of the County, to the payment of which, in accordance with the terms thereof, its full  
7 faith and credit are pledged, and all the covenants and conditions contained in the Bonds shall be  
8 deemed to be binding upon the County.

9 Authority is hereby conferred on the County Executive to complete, delete or modify the  
10 blanks in such bond form with necessary information, to insert applicable paragraphs as  
11 indicated or needed and to make such additions, deletions and substitutions in such bond form,  
12 not inconsistent with this Act or the County Charter, as may be necessary or desirable for the sale  
13 of the Bonds, including (without limitation) such additions, deletions and substitutions as may be  
14 necessary or desirable in connection with the establishment or discontinuance of a book-entry  
15 registration system for the Bonds and such changes as may be necessary to reserve to the County  
16 the option to call for mandatory tender for purchase of all or any portion of the Bonds.

17 SECTION 7. BE IT FURTHER ENACTED that the County Executive may authorize on  
18 behalf of the County the preparation and distribution of a preliminary official statement and a  
19 final official statement or similar offering documents in connection with the issuance and sale of  
20 the Bonds.

21 SECTION 8. BE IT FURTHER ENACTED that the proceeds of the sale of the Bonds,  
22 including any premium and accrued interest received therefor, shall be paid directly to the  
23 Director of Finance of the County, who shall deposit the same in the proper accounts of the  
24 County. The costs of issuance of the Bonds shall be allocated to the Authorized Projects  
25 financed by the Bonds and shall be charged to the appropriate debt service accounts of the  
26 County by the Director of Finance. There shall be deducted from the total gross proceeds  
27 received for the Bonds any amount received on account of accrued interest and premium on such  
28 Bonds, which amounts shall be set apart by the Director of Finance in separate accounts and  
29 applied to the first interest payment on the Bonds; provided that, if so determined by the County  
30 Executive, any premium on such Bonds may be applied to other purposes, including (without  
31 limitation) payment of the costs of issuance. The balance of the proceeds of the sale of the



1 Bonds shall be expended by the County for costs of the Authorized Projects for which Bonds  
 2 have been issued in accordance with this Act and the provisions of Subtitle 2. If the principal  
 3 amount of Bonds issued for any Authorized Project exceeds the amount needed to finance such  
 4 Authorized Project, the excess shall be applied to any other Authorized Project or if no such  
 5 Authorized Project requires additional funds, to any other capital project permitted by the laws of  
 6 the State of Maryland (including without limitation Subtitle 2) and of the County.

7 Unless otherwise provided by act or resolution of the County Council or by the County  
 8 Executive pursuant to Section 11 of this Act, earnings derived from the investment of the  
 9 proceeds of the Bonds may be treated as general revenues of the County and applied to general  
 10 County purposes and such use of investment proceeds is hereby acknowledged and authorized.

11 SECTION 9. BE IT FURTHER ENACTED that, for the purpose of paying the interest and  
 12 redeeming and paying the Bonds, as they respectively mature or become subject to mandatory  
 13 redemption, the County shall include in the levy in each and every fiscal year during which any  
 14 of the Bonds are outstanding a direct ad valorem tax upon all property assessed for tax purposes  
 15 within the stormwater management district established by the County pursuant to Subtitle 2 (the  
 16 "Stormwater Management District") (except as otherwise provided therein) at a rate required to  
 17 produce the amount needed to pay, in addition to the other costs of stormwater management to  
 18 be paid for from amounts in the Stormwater Management District Fund (defined herein) pursuant  
 19 to Subtitle 2, for the interest on the Bonds payable during such fiscal year and the principal of all  
 20 of the Bonds maturing or becoming subject to mandatory sinking fund redemption in each such  
 21 fiscal year, and in the event the proceeds from taxes so levied in any such fiscal year shall prove  
 22 insufficient for such purposes, additional taxes, unlimited as to rate or amount, shall be levied  
 23 within the Stormwater Management District in succeeding fiscal years to make up such  
 24 deficiency, all as authorized and provided for in Subtitle 2. The County may apply to the  
 25 payment of the principal of and interest on the Bonds any funds received by it from the State of  
 26 Maryland, the United States of America, or any agency or instrumentality thereof, or from any  
 27 other source, if such funds are granted for the purpose of assisting the County in obtaining public  
 28 facilities of the class or classes of public facilities for which the Bonds, or the respective portions  
 29 of the Bonds, are authorized or may be otherwise lawfully applied to such payment; to the extent  
 30 that any such funds are applied to such purposes in any fiscal year as provided herein, the taxes  
 31 hereby required to be levied shall be reduced proportionately.

1       The full faith and credit of the County and the unlimited taxing power of the County are  
 2 hereby irrevocably pledged both to the punctual payment of the maturing principal of and  
 3 interest on the Bonds as and when such principal and interest respectively become due, and to  
 4 the levy and collection of the taxes hereinabove prescribed as and when such taxes become  
 5 necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds.  
 6 The County hereby solemnly covenants with each of the registered owners of any of the Bonds  
 7 to take all action as may be appropriate from time to time during the period that any of the Bonds  
 8 remain outstanding and unpaid to provide the funds necessary to make the principal and interest  
 9 payments on the Bonds. The debt service requirements of the Bonds shall have a first and prior  
 10 claim on all moneys of the Stormwater Management District Fund of the County established  
 11 pursuant to Subtitle 2 (the "Stormwater Management District Fund"), on a parity with the claim  
 12 for moneys required for payment of debt service on all other County general obligation  
 13 stormwater management bonds issued pursuant to the authority contained in Subtitle 2, whether  
 14 issued prior to or after the issuance of the Bonds, and the other purposes for which funds in the  
 15 Stormwater Management District Fund may be disbursed pursuant to Subtitle 2. The County  
 16 further covenants and agrees with each of the registered owners of any of the Bonds to levy and  
 17 collect the taxes hereinabove prescribed.

18       SECTION 10. BE IT FURTHER ENACTED that in the event any official of the County  
 19 whose signature shall appear on any Bonds or on other instruments or documents pertaining  
 20 thereto, shall cease to be such official prior to the delivery of the Bonds or other instruments or  
 21 documents, or in the event that any official shall take office subsequent to the sale of the Bonds,  
 22 his or her signature shall nevertheless be valid, sufficient and binding for the purposes herein  
 23 intended.

24       SECTION 11. BE IT FURTHER ENACTED that the County Executive shall be the officer  
 25 of the County responsible for the issuance of any Bonds within the meaning of the "arbitrage  
 26 regulations" (defined below).

27       In the event that Bonds are issued pursuant to this Act with the expectation that interest on  
 28 such Bonds will be excludable from gross income for federal income tax purposes, the County  
 29 Executive shall be the officer of the County responsible for the execution and delivery (on the  
 30 date of issuance of the Bonds) of a certificate of the County (the "Tax and Section 148  
 31 Certificate") which complies with the requirements of Section 148 of the Internal Revenue Code

1 of 1986, as amended ("Section 148"), and the applicable regulations thereunder (the "arbitrage  
2 regulations"), and such official is hereby directed to execute the Tax and Section 148 Certificate  
3 and to deliver the same to bond counsel or co-bond counsel on the date of the issuance of the  
4 Bonds.

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

16 In the event that Bonds are issued pursuant to this Act with the expectation that interest on  
17 such Bonds will be excludable from gross income for federal income tax purposes, the County  
18 covenants with each of the registered owners of any of the Bonds that it will not make, or (to the  
19 extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds  
20 which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 and the  
21 arbitrage regulations. The County further solemnly covenants that it will comply with Section  
22 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder which are  
23 applicable to the Bonds on the date of issuance thereof and which may subsequently lawfully be  
24 made applicable thereto as long as the Bonds remain outstanding and unpaid. The County  
25 Executive is hereby authorized and directed to prepare or cause to be prepared and to approve  
26 and execute, respectively, any certification, opinion or other document, including, without  
27 limitation, the Tax and Section 148 Certificate which may be required to assure that the Bonds  
28 will not be deemed to be "arbitrage bonds" within the meaning of Section 148 of the Internal  
29 Revenue Code of 1986, as amended, and the regulations thereunder.

30 In the event that Bonds are issued pursuant to this Act with the expectation that interest on  
31 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 pursuant to this paragraph may be set forth in the Tax and Section 148 Certificate.

SECTION 12. BE IT FURTHER ENACTED that the County Executive 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 and paying agent need not be designated or that the County shall act as bond registrar and paying agent.

SECTION 13. 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 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, (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, (iii) loan obligations authorized by Title 9, Subtitle 16 of the Environment Article 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, bonds or loan obligations at private (negotiated) sale as authorized by these or any other applicable laws.

SECTION 14. BE IT FURTHER ENACTED that in order to avoid the issuance of a greater amount of Bonds for the Authorized 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 not exceed Nine Million Seven Hundred One Thousand Dollars (\$9,701,000) unless and until otherwise provided by the County Council by act. The proceeds of the sale of the Notes, after any payment from such proceeds of the expenses of issuance of the Notes, shall be expended only on the public purposes or any applicable portion thereof for which the Bonds are authorized. Twelve months' interest on any issue of Notes, or any renewal thereof, may be paid from the proceeds, or from the proceeds of the sale of the Bonds, accounting from the initial date of issue thereof, as determined by the County Executive. 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) The Notes may be sold at, above or below the par value thereof, including Commercial Paper Notes (hereinafter defined) as hereinafter provided; none of such Notes shall 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 include in the levy in each and every fiscal

1 year during which any of the Notes are outstanding a direct ad valorem tax upon all property  
2 assessed for tax purposes within the Stormwater Management District (except as otherwise  
3 provided in Subtitle 2) at a rate required to produce the amount needed to pay, in addition to the  
4 other costs of stormwater management to be paid from amounts in the Stormwater Management  
5 District Fund pursuant to Subtitle 2, for the interest on the Notes payable during such fiscal year  
6 and the principal of all of the Notes maturing or becoming subject to mandatory sinking fund  
7 redemption in each such fiscal year; and in the event the proceeds from taxes so levied in any  
8 such fiscal year shall prove insufficient for such purposes, additional taxes, unlimited as to rate  
9 and amount, shall be levied within the Stormwater Management District in succeeding fiscal  
10 years to make up such deficiency, all as authorized and provided for in Subtitle 2. The County  
11 may apply to the payment of the principal of and interest on the Notes any funds received by it  
12 from the State of Maryland, the United States of America, or any agency or instrumentality  
13 thereof, or from any other source, if such funds are granted for the purposes of assisting the  
14 County in obtaining public facilities of the class or classes of public facilities for which the  
15 Notes, or the respective portions of the Notes, are authorized or may be otherwise lawfully  
16 applied to such payment; to the extent that any such funds are applied to such purposes in any  
17 fiscal year as provided herein, the taxes hereby required to be levied shall be reduced  
18 proportionately.

19       The full faith and credit of the County and the unlimited taxing power of the County  
20 are hereby irrevocably pledged both to the punctual payment of the maturing principal of and  
21 interest on the Notes as and when such principal and interest respectively become due, and to the  
22 levy and collection of the taxes hereinabove prescribed as and when such taxes become  
23 necessary in order to provide sufficient funds to meet the debt service requirement of the Notes.  
24 The County hereby solemnly covenants with each of the owners of any of the Notes to take all  
25 action as may be appropriate from time to time during the period that any of the Notes remain  
26 outstanding and unpaid to provide the funds necessary to make the principal and interest  
27 payments on the Notes. The debt service requirements of the Notes shall have a first and prior  
28 claim on all moneys of the Stormwater Management District Fund on a parity with the claim for  
29 moneys required for payment of debt service on all other County general obligation stormwater  
30 management indebtedness issued pursuant to the authority contained in Subtitle 2, whether  
31 issued prior to or after the issuance of the Notes, and the other purposes for which funds in the

1 Stormwater Management District Fund may be disbursed pursuant to Subtitle 2. The County  
 2 further covenants and agrees with each of the owners of any of the Notes to levy and collect the  
 3 taxes hereinabove prescribed.

4 (5) In the event that any Notes (the "Outstanding Notes") issued hereunder are  
 5 outstanding on the date that the Bonds in anticipation of which such Notes are issued are  
 6 delivered in exchange for the purchase price thereof (the "Delivery Date"), the Director of  
 7 Finance shall deposit with the paying agent for the Notes, or a trustee or escrow agent, on the  
 8 Delivery Date (i) cash in an amount equal to the principal of the Outstanding Notes and/or (ii)  
 9 direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the  
 10 United States of America, the principal of and interest on which will be sufficient without  
 11 reinvestment to pay in a timely manner the principal of the Outstanding Notes when due whether  
 12 at maturity or upon prior redemption. Such paying agent or trustee or escrow agent is hereby  
 13 irrevocably directed to apply such cash or the proceeds of such obligations to the payment of the  
 14 principal of the Outstanding Notes when due whether at maturity or upon prior redemption. The  
 15 County may provide such cash or obligations from the proceeds of the sale of such Bonds or  
 16 from any other funds legally available for such purpose. On the Delivery Date, the Director of  
 17 Finance shall also deposit with the paying agent for the Outstanding Notes, or a trustee or escrow  
 18 agent (i) cash in an amount equal to the interest on the Outstanding Notes when due and/or (ii)  
 19 direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the  
 20 United States of America, the principal of and interest on which will be sufficient without  
 21 reinvestment to pay in a timely manner interest on the Outstanding Notes when due, whether at  
 22 maturity, upon a regularly scheduled payment date or upon prior redemption. The County may  
 23 provide such cash obligations from the proceeds of the sale of Bonds available for that purpose  
 24 or from any other funds legally available for such purpose. Notwithstanding the foregoing, if  
 25 the Delivery Date and the date on which the Outstanding Notes mature are in different fiscal  
 26 years, and moneys for the payment of the interest on the Outstanding Notes have not been finally  
 27 appropriated in the fiscal year in which the Bonds are delivered, and if the Delivery Date is after  
 28 the date on which the budget for the succeeding fiscal year has been submitted to the County  
 29 Council and provision for the payment of the interest on such Outstanding Notes has been made  
 30 in such budget, in lieu of the deposit of such cash or obligations for the payment of interest on  
 31 the Outstanding Notes, the County Executive, the Director of Finance and/or the Chief



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 and/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 may determine, approve or authorize or provide for:

- (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) the 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 or at public 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, including other matters specifically authorized by the Bond Anticipation Note Act.

(7) As determined by the County Executive, the Notes (or any portion of them, as applicable) may be issued, sold and delivered as a single series of Notes or as two or more series of Notes, or may be consolidated for issuance, sale and delivery with other Notes of the County

(including notes sold for new money and/or refunding purposes) as contemplated 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 11 of this Act shall be deemed to include Notes.

(9) The authority conferred on the County Executive in Section 12 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 13 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, includes 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

1 may determine, approve, authorize or provide for:

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

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

8 (iii) the selection of any trustee, issuing agent, payment agent, commercial paper  
9 dealer, credit or liquidity facility provider or other provider of financial or related services  
10 necessary or deemed appropriate to the authorization, issuance, execution, sale, delivery and  
11 payment of and for Program Notes; and

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

15 SECTION 15. BE IT FURTHER ENACTED that it is hereby found and determined as  
16 follows: (i) it is in the best interest of the County to be able to implement a flexible approach to  
17 borrowing (that is, one which provides the ability to utilize variable rate demand obligations, tax-  
18 exempt commercial paper and short-term municipal obligations [collectively, "Variable Rate  
19 Demand Obligations"]); (ii) there is an expanding market for Variable Rate Demand Obligations,  
20 which have varying and flexible maturities or redemption features, tender or purchase dates and  
21 bear interest at variable rates established by a remarketing agent on the basis of current market  
22 conditions, or combinations of such maturities or redemption, tender or purchase dates and rates  
23 and to access this market the County must establish procedures consistent with market practices  
24 for Variable Rate Demand Obligations; and (iii) existing practices in the market for Variable  
25 Rate Demand Obligations and existing requirements of nationally recognized rating agencies  
26 require that there be available to the issuer of Variable Rate Demand Obligations a supporting  
27 credit or liquidity facility, such as a letter of credit, line of credit or revolving loan agreement,  
28 pursuant to which an alternate source of borrowing will be available during any period in which  
29 such obligations cannot be remarketed or sold.

30 Notes or Bonds are hereby authorized to be issued as short-term or demand obligations or  
31 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 15 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 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.

Without limiting the generality of other provisions of this Act, the County Executive may determine, approve, authorize or provide for:

(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 15 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 16. BE IT FURTHER ENACTED that Section 24 of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time (the "Refunding Act"), provides that refunding bonds may be issued by the County for certain public purposes specified in the Refunding Act, including realizing savings to the County in the aggregate cost of debt service on either a direct comparison or present value basis or debt restructuring that in the aggregate effects such a reduction in the cost of debt service. The County Council of Prince George's County, Maryland, hereby finds and determines that the issuance of refunding bonds pursuant to the terms and requirements of this Act in order to refund

1 all or a portion of the outstanding principal amount of the Bonds will effectuate and accomplish  
 2 the public purpose of realizing savings to the County in the aggregate cost of debt service on  
 3 either a direct comparison or a present value basis or of debt restructuring that in the aggregate  
 4 effects such a reduction in the cost of debt service.

5 SECTION 17. BE IT FURTHER ENACTED that, acting pursuant to the authority of the  
 6 Refunding Act and, as applicable, Article 25A of the Annotated Code of Maryland, as amended,  
 7 replaced or recodified from time to time ("Article 25A"), the County Charter, this Act and certain  
 8 other authority pursuant to which the Bonds will be issued, the issuance and sale of bonds (the  
 9 "Refunding Bonds") of Prince George's County, Maryland, which may be issued in one or more  
 10 series from time to time as hereinafter provided, are hereby authorized in an aggregate principal  
 11 amount not to exceed 150% of the aggregate outstanding principal amount of the Bonds to be  
 12 refunded thereby (the "Refunded Bonds") in order to provide funds sufficient (a) to purchase  
 13 direct obligations of, or obligations the timely payment of the principal of and interest on which  
 14 is unconditionally guaranteed by, the United States of America ("Government Obligations"), the  
 15 principal of and interest on which will be sufficient without reinvestment, together with any  
 16 available cash, to pay in a timely manner all or any part of the principal of and redemption  
 17 premium, if any, and interest on the Refunded Bonds, and (b) to pay any and all other costs  
 18 permitted to be paid from the proceeds of such Refunding Bonds under the Refunding Act,  
 19 including (without limitation) funded interest, the costs of issuance of such Refunding Bonds  
 20 (including without limitation any bond insurance premium payable by the County) and  
 21 applicable underwriting fees.

22 SECTION 18. BE IT FURTHER ENACTED that the Refunding Bonds hereby authorized  
 23 may be sold for a price at, above, or below par, plus, if so determined by the County Executive,  
 24 accrued interest to the date of delivery. The Refunding Bonds shall be sold at private  
 25 (negotiated) sale, and such procedure is hereby determined to be in the public interest due to the  
 26 ability to negotiate flexible terms and achieve a beneficial interest rate or rates and the flexibility  
 27 to time the date of sale to maximum savings or achieve other public purposes permitted by the  
 28 Refunding Act. Notwithstanding the foregoing, if the County Executive subsequently  
 29 determines that it is in the best interests of the County to sell any or all of the Refunding Bonds  
 30 after first soliciting competitive bids at public sale, then the County Executive may provide for  
 31 the sale of such Refunding Bonds in such manner and in accordance with such procedures as he

1 or she shall deem appropriate; provided, however, that such procedures shall be substantially  
 2 similar to the procedures for public sale with competitive bidding normally used by the County  
 3 in connection with the sale of its general obligation bonds. Refunding Bonds issued hereunder  
 4 are hereby specifically exempted from the provisions of Sections 10 and 11 of Article 31 of the  
 5 Annotated Code of Maryland, as amended, replaced or recodified.

6 SECTION 19. BE IT FURTHER ENACTED that as determined by the County Executive,  
 7 the Refunding Bonds (or any portion of them, as applicable) may be issued, sold and delivered as  
 8 a single series of Refunding Bonds or as two or more issues of Refunding Bonds, or may be  
 9 consolidated for issuance, sale and delivery with other bonds of the County (including bonds  
 10 sold for new money and/or refunding purposes) as contemplated by Section 2C of Article 31 of  
 11 the Annotated Code of Maryland, as amended, replaced or recodified from time to time. The  
 12 Refunding Bonds of each series sold solely pursuant to the authority of this Act shall each be  
 13 designated "Prince George's County, Maryland Stormwater Management Bonds, 20  
 14 Refunding Series," and the Refunding Bonds of each series consolidated for issuance with other  
 15 bonds of the County as authorized by this Section 19 shall each be designated "Prince George's  
 16 County, Maryland Consolidated Stormwater Management Bonds, Refunding Series 20\_\_", and,  
 17 in the event any such Refunding Bonds are issued at more than one time, the County Executive  
 18 may specify such additional designation as he or she shall deem appropriate. Moreover, the  
 19 County Executive is hereby authorized to provide such other or alternative designation as he or  
 20 she deems necessary or convenient.

21 Upon consolidation of any of the Refunding Bonds with general obligation bonds issued  
 22 pursuant to Article 25A of the Annotated Code of Maryland, as amended, and determination of  
 23 the County Executive, there shall be pledged to the payment of said Refunding Bonds the full  
 24 faith and credit of the County and the power of the County to levy ad valorem taxes upon all the  
 25 legally assessable property within the corporate limits of the County (in addition to the pledge  
 26 and levy within the Stormwater Management District effected pursuant to Section 21 hereof).

27 SECTION 20. BE IT FURTHER ENACTED that pursuant to Section 22 of this Act, the  
 28 County Executive shall determine (a) the principal amounts and maturities of each series of  
 29 Refunding Bonds to be issued and (b) the portions of each series of Refunded Bonds to be  
 30 refunded with the proceeds of each series of Refunding Bonds; provided, however, that the  
 31 issuance of any series of Refunding Bonds to refund all or any portion of one or more series of

1 Refunded Bonds will effectuate and accomplish the public purpose of realizing savings to the  
 2 County in the aggregate cost of debt service on either a direct comparison or a present value  
 3 basis with respect to the portion of any series of Refunded Bonds being refunded or debt  
 4 restructuring that in the aggregate effects such a reduction in the cost of debt service.

5 There may be printed on the reverse side of each series of Refunding Bonds issued  
 6 hereunder the text of the applicable approving legal opinion with respect thereto, and any such  
 7 text shall be duly certified by the manual or facsimile signature of the County Executive of the  
 8 County.

9 Each series of Refunding Bonds shall be in the form set forth in Attachment 2 attached to  
 10 and made a part of this Act with such changes in designation and purpose to reflect that such  
 11 Refunding Bonds are refunding bonds, and Refunding Bonds issued substantially in compliance  
 12 with such form, with appropriate insertions as therein indicated, when properly executed and  
 13 authenticated as described above, shall be deemed to constitute unconditional general obligations  
 14 of the County, to the payment of which, in accordance with the terms thereof, its full faith and  
 15 credit are pledged, and all the covenants and conditions contained in such Refunding Bonds shall  
 16 be deemed to be binding upon the County in accordance therewith. Authority is hereby  
 17 conferred on the County Executive to fill the blanks in such form with the required information,  
 18 to insert applicable paragraphs as indicated and to make such additions, deletions and  
 19 substitutions in such form, not inconsistent with this Act or the Refunding Act, as may be  
 20 necessary or desirable in the sale of any such series of Refunding Bonds, including (without  
 21 limitation) such changes as may be necessary to permit the establishment of a central depository  
 22 or book-entry system with respect to such series of Refunding Bonds.

23 SECTION 21. BE IT FURTHER ENACTED that, for the purpose of paying the interest  
 24 and redeeming and paying the Refunding Bonds, as they respectively mature or become subject  
 25 to mandatory redemption, the County shall include in the levy in each and every fiscal year  
 26 during which any of the Refunding Bonds are outstanding a direct ad valorem tax upon all  
 27 property assessed for tax purposes within the Stormwater Management District (except as  
 28 otherwise provided pursuant to Subtitle 2) at a rate required to produce the amount needed to  
 29 pay, in addition to the other costs of stormwater management to be paid for from amounts in the  
 30 Stormwater Management District Fund, for the interest on the Refunding Bonds payable during  
 31 such fiscal year and the principal of all of the Refunding Bonds maturing or becoming subject to

1 mandatory redemption in each such fiscal year; and in the event the proceeds from taxes so  
 2 levied in any such fiscal year shall prove insufficient for such purposes, additional taxes,  
 3 unlimited as to rate or amount, shall be levied within the Stormwater Management District in  
 4 succeeding fiscal years to make up such deficiency, all as authorized and provided for in Subtitle  
 5 2. The County may apply to the payment of the principal of and interest on the Refunding Bonds  
 6 any funds received by it from the State of Maryland, the United States of America, or any agency  
 7 or instrumentality thereof, or from any other source, if such funds are granted for the purpose of  
 8 assisting the County in obtaining public facilities of the class or classes of public facilities for  
 9 which the Refunding Bonds, or the respective portions of the Refunding Bonds, are authorized or  
 10 may be otherwise lawfully applied to such payment; to the extent that any such funds are applied  
 11 to such purposes in any fiscal year as provided herein, the taxes hereby required to be levied  
 12 shall be reduced proportionately.

13 The full faith and credit of the County and the unlimited taxing power of the County are  
 14 hereby irrevocably pledged both to the punctual payment of the maturing principal of and  
 15 interest on the Refunding Bonds as and when such principal and interest respectively become  
 16 due, and to the levy and collection of the taxes hereinabove prescribed as and when such taxes  
 17 become necessary in order to provide sufficient funds to meet the debt service requirements of  
 18 the Refunding Bonds. The County hereby solemnly covenants with each of the registered  
 19 owners of any of the Refunding Bonds to take all action as may be appropriate from time to time  
 20 during the period that any of the Refunding Bonds remain outstanding and unpaid to provide the  
 21 funds necessary to make the principal and interest payments on the Refunding Bonds. The debt  
 22 service requirements of the Refunding Bonds shall have a first and prior claim on all moneys of  
 23 the Stormwater Management District Fund on a parity with the claim for moneys required for  
 24 payment of debt service on all other County general obligation stormwater management bonds  
 25 issued pursuant to the authority contained in Subtitle 2, whether issued prior to or after the  
 26 issuance of the Refunding Bonds, and the other purposes for which funds in the Stormwater  
 27 Management District Fund may be disbursed pursuant to Subtitle 2. The County further  
 28 covenants and agrees with each of the registered owners of any of the Refunding Bonds to levy  
 29 and collect the taxes hereinabove prescribed.

30 SECTION 22. BE IT FURTHER ENACTED that, with respect to each series of Refunding  
 31 Bonds sold pursuant to this Act, authority is hereby conferred on the County Executive to take



1 the following actions and make the following commitments on behalf of the County:

2 (a) in the event any series of Refunding Bonds is sold at private (negotiated) sale as  
3 authorized by this Act, to sell such series of Refunding Bonds issued under this Act upon such  
4 terms as he or she deems favorable under the existing market conditions to one or more banks,  
5 investment banking firms or other financial institutions that, in such official's judgment, offers to  
6 purchase such series of Refunding Bonds on terms such official deems favorable to the County  
7 under the existing market conditions;

8 (b) in the event any series of Refunding Bonds is sold at private (negotiated) sale as  
9 authorized by this Act, to approve, execute and deliver, as a binding and enforceable obligation  
10 of the County, an underwriting or purchase agreement for any series of Refunding Bonds issued  
11 pursuant to this Act;

12 (c) after considering any recommendations of the financial advisor to the County, if any, to  
13 fix and determine the date of any such series of Refunding Bonds, the schedule of annual  
14 maturities and/or sinking fund installments of any such series, the amount of any such series, the  
15 amounts and particular Refunded Bonds of each series to be refunded with the proceeds of any  
16 such series of Refunding Bonds, and the interest rate or rates to be paid by the County with  
17 respect to any such series, including, without limitation, the payment dates for the payment of  
18 interest with respect to each maturity of any such series and all matters relating to the provision  
19 of bond insurance, if any, on all or any portion of the Refunding Bonds;

20 (d) to determine whether the principal of the Refunded Bonds shall be paid at maturity, at  
21 the earliest redemption date pertaining thereto, or at some later redemption date;

22 (e) in the event that the County Executive determines that it is in the best interests of the  
23 County to sell any such series of Refunding Bonds by soliciting competitive bids at public sale,  
24 to determine the date, time and place when proposals for the purchase of any such series of  
25 Refunding Bonds will be received, to publish and/or otherwise disseminate a suitable notice of  
26 sale or a summary thereof in a manner substantially similar to the procedures for public sale at  
27 competitive bidding normally used by the County in connection with the sale of its general  
28 obligation bonds, and to award any series of Refunding Bonds for which a legally sufficient  
29 proposal has been received to the best bidder;

30 (f) to select and approve the designation of a custodian for a central depository or all  
31 matters relating to registration of the Refunding Bonds under a book-entry system;

1 (g) to select a trust company or other banking institution as trustee, to hold the trust fund  
 2 into which the proceeds of the sale of any Refunding Bonds issued hereunder may be deposited  
 3 under the Refunding Act, to determine the terms of any such trust fund, including any provisions  
 4 relating to the payment of costs related to such trust fund, and to approve and deliver as a  
 5 binding commitment of the County a trust or escrow agreement, pursuant to which such trust  
 6 fund is established;

7 (h) to determine the manner in which the proceeds of the sale of the Refunding Bonds shall  
 8 be applied and to provide for the redemption prior to maturity of any of the Refunded Bonds, as  
 9 applicable, not inconsistent with the provisions of this Act or the Refunding Act; and

10 (i) after considering any recommendations of the County's financial advisor, to reserve to  
 11 the County the option to redeem or to call for mandatory tender for purchase (and to sell, transfer  
 12 or convey any such option to call for mandatory tender for purchase) any such series of  
 13 Refunding Bonds in whole or in part, at such times and upon payment of such premiums as the  
 14 County's financial advisor may recommend.

15 Subject to and in accordance with the provisions of this Act, the County Executive shall  
 16 determine for each and every series of Refunding Bonds issued pursuant to and in accordance  
 17 with this Act, the matters specified in paragraphs (c), (d), (f), (g), (h) and (i) above and, if a  
 18 determination is made to sell any such series of Refunding Bonds by soliciting competitive bids  
 19 at public sale, the matters specified in paragraph (e) above for such series of Refunding Bonds.

20 SECTION 23. BE IT FURTHER ENACTED that, to the extent applicable with respect to  
 21 any of the Authorized Projects, the County is hereby authorized pursuant to this Act and the  
 22 Maryland Water Quality Financing Administration Act, Sections 9-1601 to 9-1622, inclusive, of  
 23 the Environment Article of the Annotated Code of Maryland, as amended, replaced or recodified  
 24 (the "Water Quality Act"), to issue and sell by private sale to the Maryland Water Quality  
 25 Financing Administration (the "Water Quality Administration") any of the Bonds or Refunding  
 26 Bonds (or applicable portion thereof) authorized pursuant to this Act in order to evidence a loan  
 27 or loans (each, the "Loan") made by the Water Quality Administration to the County under one  
 28 or more loan agreements (each, the "Loan Agreement") between the County and the Water  
 29 Quality Administration with respect to any of the Authorized Projects. The County Executive is  
 30 hereby authorized to approve the terms and conditions of and execute and deliver the Loan  
 31 Agreement on behalf of the County in accordance with the provisions of the Water Quality Act.

1 As authorized by the Water Quality Act and if required by the Water Quality Administration, the  
 2 County hereby pledges any moneys that the County is entitled to receive from the State of  
 3 Maryland, including the County's share of the State income tax, to secure its obligations under the  
 4 Loan Agreement. Any such pledge shall be evidenced and detailed in the Loan Agreement. The  
 5 Loan Agreement and all the covenants and conditions set forth therein, including, without  
 6 limitation, the requirement to make payments to the Water Quality Administration of the annual  
 7 administrative fee, to pay interest at the default interest rate provided for therein, and, if so  
 8 required by the Water Quality Administration, to establish and maintain a debt service reserve  
 9 account shall be an obligation of the County in accordance with the provisions of Water Quality  
 10 Act.

11 SECTION 24. BE IT FURTHER ENACTED that (1) references to "Bonds" in Sections 4,  
 12 7, 11, 12 and 13 of this Act shall be deemed to include the Refunding Bonds and (2) references  
 13 to "bonds authorized by this Act" in Section 13 of this Act shall be deemed to include the  
 14 Refunding Bonds, unless the context clearly indicates otherwise.

15 SECTION 25. 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, the Notes or the Refunding Bonds issued hereunder may be  
 18 issued in "registered form" within the meaning of the Registration Statute, as may be determined  
 19 by the County Executive, who may determine, approve or authorize the selection of trustees,  
 20 transfer agents, registrars, paying or other agents, a custodian for a central depository or book-  
 21 entry system and appropriate agreements with any of the foregoing and such other matters not  
 22 inconsistent with this Act necessary or deemed appropriate in connection with the issuance of the  
 23 Bonds, the Notes or the Refunding Bonds in "registered form" within the meaning of the  
 24 Registration Statute.

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

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

11 SECTION 27. BE IT FURTHER ENACTED that pursuant to the authority of Section 34 of  
 12 Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to  
 13 time ("Section 34"), the County may enter into one or more interest rate exchange agreements or  
 14 contracts providing for payments based on levels of or changes in interest rates, or combinations  
 15 of the foregoing, in order to improve the management of debt service or interest rate risks on all  
 16 or any portion of the Bonds, the Notes or the Refunding Bonds authorized hereby (the  
 17 "Obligations") or to reduce the cost of servicing all or any portion of such Obligations. Any such  
 18 interest rate exchange agreement or contract may be entered into in connection with, or  
 19 incidental to, all or any portion of the Obligations prior to, at the time of, or subsequent to, the  
 20 issuance of any such Obligations, and may apply to such Obligations and any other general  
 21 obligation bonds or notes, revenue bonds or notes, or other evidences of indebtedness by  
 22 whatever name known or funds secured, issued by the County. In connection with any such  
 23 interest rate exchange agreements or contracts, the County may appoint any agents necessary to  
 24 implement and administer such agreements or contracts. Unless contrary to the provisions of  
 25 Section 34 or other applicable law, the County Executive is hereby authorized to determine,  
 26 approve, authorize or provide for, after giving due consideration to the creditworthiness of the  
 27 counterparty or counterparties and after consulting with the Director of Finance of the County  
 28 and, if applicable, the financial advisor to the County: (1) the terms and conditions of the  
 29 transaction, the final form of the agreement or contract and the final terms and conditions of the  
 30 agreement or contract and (2) the appointment of any agents necessary to implement and  
 31 administer such agreements or contracts and the terms of compensation therefor. Nothing

1 contained in this Act shall be deemed to preclude the County Council by resolution from making  
2 or providing for any of the determinations authorized by Section 34. The provisions of this  
3 Section 27 shall be liberally construed to effectuate the provisions of Section 34.

4 SECTION 28. BE IT FURTHER ENACTED that any and all determinations, approvals,  
5 authorizations, decisions, undertakings, specifications, covenants, agreements or provisions (by  
6 whatever terminology so specified) authorized to be made by the County Executive pursuant to  
7 the provisions of this Act shall be made by order of the County Executive unless otherwise  
8 expressly provided herein; provided that, unless contrary to the provisions of the County Charter  
9 or other applicable law, the County Executive is hereby expressly authorized to delegate by order  
10 to such official or officials designated in such order the power to make any such determinations,  
11 approvals, authorizations, decisions, undertakings, specifications, covenants, agreements or  
12 provisions or other matters and the manner in which to evidence the same. In addition, unless  
13 contrary to the provisions of the County Charter or other applicable law, the County Executive is  
14 hereby authorized by order to delegate to one or more appropriate County officials the authority  
15 granted to the County Executive by this Act to sign any documents, certificates or instruments,  
16 or to specify that one or more appropriate County officials in addition to the County Executive  
17 shall sign any such documents, certificates or instruments.

18 SECTION 29. BE IT FURTHER ENACTED that if any one or more of the provisions of  
19 this Act, including any covenants or agreements provided herein on the part of the County to be  
20 performed, should be contrary to law, then such provision or provisions shall be null and void  
21 and shall in no way affect the validity of the other provisions of this Act or of the Bonds, the  
22 Notes or the Refunding Bonds.

23 SECTION 30. 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 31. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)  
31 calendar days after it becomes law.

Adopted this 18th day of July, 2006.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Thomas E. Dernoga  
Chairman

ATTEST:

\_\_\_\_\_  
Redis C. Floyd  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
Jack B. Johnson  
County Executive

Attachment 1 available in hard copy only

**ATTACHMENT 2**  
**TO CB - \_ - \_**  
**FORM OF BOND**

REGISTERED

UNITED STATES OF AMERICA  
 STATE OF MARYLAND

REGISTERED

No. R- \_

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

PRINCE GEORGE'S COUNTY, MARYLAND  
 STORMWATER MANAGMENT BOND, SERIES 200\_

Interest Rate  
(Per Annum)  
 \_\_\_\_%

Maturity  
Date  
 \_\_\_\_\_

Original Issue  
Date  
 \_\_\_\_\_

CUSIP  
Number  
 \_\_\_\_\_

Registered Owner: Cede &amp; 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 on \_\_\_\_\_ and \_\_\_\_\_ in each year commencing \_\_\_\_\_ 200\_ 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 therefor 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, 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 unlimited 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 a direct ad valorem tax upon all property assessed for tax purposes within the stormwater management district (the “District”) established by the County pursuant to the provisions of Subtitle 2 of Title 3 or Article 29 of the Annotated Code of Maryland, as amended (“Subtitle 2”), except as otherwise provided in Subtitle 2.

The principal and interest on this Bond are payable in the first instance from annual appropriations of the proceeds of direct ad valorem tax which the County is empowered and directed to levy upon all property assessed for tax purposes within the District (except as otherwise provided in Subtitle 2) and to deposit in the Stormwater Management District Fund established in accordance with Subtitle 2 (the “Stormwater Management District Fund”). The County has covenanted to levy said ad valorem taxes at a rate required to produce the amount needed to pay, in addition to the other costs of stormwater management to be paid from the amounts in Stormwater Management District Fund, for such principal and interest coming due the ensuing fiscal year, and in the even the proceeds from taxes so levied in any such fiscal year shall prove insufficient for such payment, to levy additional taxes within the District 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, 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.