

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND****1997 Legislative Session**Bill No. CB-94-1997Chapter No. 58Proposed and Presented by The Chairman (by request - County Executive)Introduced by Council Members Wilson, Del Giudice and Russell

Co-Sponsors

Date of Introduction September 9, 1997**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 One Hundred Eighty-four Million Six Hundred Four Thousand Dollars (\$184,604,000) in aggregate principal amount of general obligation bonds with serial maturities, including mandatory sinking fund installments in lieu of serial maturities; 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, 1998, 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, summary Notice of Sale for publication 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 One Hundred Eighty-four Million Six Hundred Four Thousand Dollars (\$184,604,000) 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; 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; authorizing and empowering the County to issue, sell and deliver general obligation refunding bonds for the purpose of refunding all or a part of such bonds, the proceeds of such refunding bonds to be used for the public purpose of providing funds sufficient to pay principal of, redemption premium, if any, and interest on such bonds, at the respective maturity, redemption, and interest payment dates of such bonds; prescribing the procedure for the issuance and sale of, and the maximum principal amount of, such refunding bonds; empowering the County Executive, or the Chief Administrative Officer of the County if authorized by the County Executive of the County, subject to certain guidelines and standards, to determine the time and method for the sale of such refunding bonds, the form or forms thereof and other details with respect to the sale of such refunding bonds; providing for the form of such refunding bonds; pledging the full faith and credit of the County to the payment of such refunding bonds and the interest on such refunding bonds, when due; providing for the levy and collection of all taxes, charges and assessments necessary for the payment of the principal of and interest on such refunding bonds when due; showing compliance with the limitations on the power of the

County to incur indebtedness; covenanting that the proceeds of such refunding bonds, or any moneys which may be deemed to be proceeds, will not be used in a manner to cause such bonds to be arbitrage bonds and covenanting on other matters relating to the tax exempt status of interest on such refunding bonds; providing for the issuance of such refunding bonds in registered form, including central depository and book-entry arrangements; generally providing for the consolidation, authorization, issuance, sale and delivery of general obligation refunding bonds of the County and matters generally related thereto; and providing for compliance with Securities and Exchange Commission Rule 15c2-12.

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that the issuance, sale and delivery of general obligation bonds with serial maturities, including mandatory sinking fund installments in lieu of serial maturities (the "Bonds") of Prince George's County, Maryland (the "County"), in an aggregate principal amount not exceeding One Hundred Eighty-four Million Six Hundred Four Thousand Dollars (\$184,604,000) 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, 1998 (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 twenty-four (24) 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 1998 through 2003, 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 of Prince George's County, Maryland, as amended, modified or recodified from time to time (the "County 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 19\_\_\_," 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.

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, the provision of bond insurance on all or any portion of 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 County 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 at, above or below par value, 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, or a summary thereof, 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 County 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 manual or 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 or deletions 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 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 (1996 Replacement Volume and 1997 Supplement), as shown below:

Assessable base of County	\$16,750,340,000
Debt limit - 15% of assessable base	\$ 2,512,551,000
Debt outstanding - not more than	\$ 396,668,003
Limit on additional debt	\$ 2,115,882,997
Aggregate principal amount of Bonds	\$ 184,604,000
Aggregate principal amount of general obligation bonds authorized by other acts and not issued	\$ 185,294,000
Total principal amount of general obligation bonds authorized and not issued (including the Bonds)	\$ 369,898,000

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 (including, without limitation, any bond insurance premiums payable by the County), 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; provided that, if so determined by the County Executive, or if so provided by order of the County Executive, by the Chief Administrative Officer, any premium on such Bonds may be applied to other purposes including (without limitation) payment of the costs of issuance. 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 County Charter.

Unless otherwise provided by act or resolution of the County Council or by order of the County Executive 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 on and redeeming and paying the Bonds, as they respectively mature, the County shall 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 due 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, to the extent authorized by law, 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 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 indebtedness whether issued prior to or after the issuance of the Bonds; it is recognized, however, that some outstanding 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.

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 or, if so provided by order of 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 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 and the regulations thereunder.

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 Notes issued pursuant to this Section which may be outstanding at any time shall be One Hundred Eighty-four Million Six Hundred Four Thousand Dollars (\$184,604,000) 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 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 due 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, to the extent authorized by law, 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 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 requirements 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 outstanding 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.

(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 and/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 whether at maturity or upon prior redemption. 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 whether at maturity or upon prior redemption. 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 and/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 whether at maturity, upon a regularly scheduled payment date or

upon prior redemption. 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 or are subject to redemption 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 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 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) 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.

(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, 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 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 Program 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 optional or 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 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 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 optional or 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 Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume) (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 savings 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, and particularly Section 23 of this Act, in order to refund all or a portion of the outstanding principal amount of the Bonds will effectuate and accomplish the public purpose of realizing savings to the County in the aggregate cost of debt service on either a direct comparison or a present value basis or of debt restructuring that in the aggregate effects such a reduction in the cost of debt service.

SECTION 20. BE IT FURTHER ENACTED that, acting pursuant to the authority of

the Refunding Act and, as applicable, Article 25A of the Annotated Code of Maryland (1996 Replacement Volume and 1997 Supplement) ("Article 25A"), the County Charter, this Act and certain other authority pursuant to which the Bonds will be issued, the issuance and sale of bonds (the "Consolidated Refunding Bonds") of Prince George's County, Maryland, which may be issued in series from time to time as hereinafter provided, are hereby authorized in an aggregate principal amount not to exceed 150% of the aggregate outstanding principal amount of the Bonds to be refunded hereby (the "Refunded Bonds") in order to provide funds sufficient (a) to purchase direct obligations of, or obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America ("Government Obligations"), the principal of and interest on which will be sufficient without reinvestment, together with any available cash, to pay in a timely manner all or any part of the principal of and redemption premium, if any, and interest on the Refunded Bonds, and (b) to pay any and all other costs permitted to be paid from the proceeds of such Consolidated Refunding Bonds under the Refunding Act, including (without limitation) the costs of issuance of such Consolidated Refunding Bonds (including without limitation any bond insurance premium payable by the County) and applicable underwriting fees.

SECTION 21. BE IT FURTHER ENACTED that the Consolidated Refunding Bonds hereby authorized may be sold for a price at, above, or below par, plus accrued interest to the date of delivery. The Consolidated Refunding Bonds shall be sold at private (negotiated) sale, and such procedure is hereby determined to be in the public interest. Notwithstanding the foregoing, if the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, by order, subsequently determines that it is in the best interests of the County to sell any or all of the Consolidated Refunding Bonds after first soliciting competitive bids at public sale, then the County Executive or the Chief Administrative Officer, as the case may be, may sell such Consolidated Refunding Bonds in such manner in accordance with such procedures as he or she shall deem appropriate; provided, however, that such procedures shall be substantially similar to the procedures for public sale with competitive bidding normally used by the County in connection with the sale of its general obligation bonds. Consolidated Refunding Bonds issued hereunder are hereby specifically



exempted from the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume).

SECTION 22. BE IT FURTHER ENACTED that Consolidated Refunding Bonds authorized to be issued for the purposes specified above may be issued in series from time to time. Each such series shall identify the public purpose for which it is issued, by the printing on each bond of the words "Prince George's County, Maryland Consolidated Public Improvement Bonds - 19\_\_ Refunding Series". The County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, by order, may incorporate such additional designations in the name of the series as he or she deems necessary or convenient to distinguish two or more series issued for the same purpose within the same calendar year.

SECTION 23. BE IT FURTHER ENACTED that the Consolidated Refunding Bonds shall be issued as registered bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof within the limits of specified maturities with the maximum denomination to be determined by the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, by order. The Consolidated Refunding Bonds of each series shall be dated prior to or the date of the delivery of such series as determined by the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer. The Consolidated Refunding Bonds, when first issued, shall be numbered from No. R-1 consecutively upward in the order of their maturities or such other designation, as determined by the County Executive or, if so provided by Order of the County Executive, the Chief Administrative Officer, but such numbering need not be continuously consecutive; provided, however, that Consolidated Refunding Bonds issued after the original issuance of the Consolidated Refunding Bonds may be numbered consecutively without regard to their maturities at the discretion of the Refunding Bond Registrar (hereinafter defined) to conform with standard registered bond registration practices. Registration books (the "Refunding Bond Register") for the Consolidated Refunding Bonds shall be maintained by the bond registrar to be selected and appointed by the County Executive of the County pursuant to this Act (the "Refunding Bond Registrar").

The Consolidated Refunding Bonds of each series, or of successive series for the same public purpose, shall mature and be payable in consecutive annual installments.

Pursuant to Section 26 of this Act, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, by order, shall determine (a) the principal amount and maturity of each series of Consolidated Refunding Bonds to be issued and (b) the portions of each series of Refunded Bonds to be refunded with the proceeds of each series of Consolidated Refunding Bonds; provided, however, that the issuance of any series of Consolidated Refunding Bonds to refund all or any portion of one or more series of Refunded Bonds will effectuate and accomplish the public purpose of realizing savings to the County in the aggregate cost of debt service on either a direct comparison or a present value basis with respect to the portion of any series of Refunded Bonds being refunded or debt restructuring that in the aggregate effects such a reduction in the cost of debt service.

The series of Consolidated Refunding Bonds to be issued pursuant to the authority of this Act shall be executed on behalf of the County by the manual or facsimile signature of the County Executive and an impression of the seal of the County shall be imprinted thereon manually or by facsimile, attested by the manual or facsimile signature of the Clerk of the Council. Each such Consolidated Refunding Bond shall be authenticated by the manual signature of the County Executive or Director of Finance of the County or an authorized officer of the Refunding Bond Registrar. No Consolidated Refunding Bonds issued pursuant to this Act shall be valid for any purpose or constitute an obligation of the County unless so authenticated. In case any official of the County, whose signature shall appear on any such Consolidated Refunding Bonds, shall cease to be such official prior to the delivery of such Consolidated Refunding Bonds, or in the case that any such official shall take office subsequent to the date of issue of any such Consolidated Refunding Bonds, his or her signature, in either event, shall nevertheless be valid for the purposes herein intended.

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

Each series of Consolidated Refunding Bonds shall be in the form set forth in Attachment 2 attached to and made a part of this Act with such changes in designation and purpose to reflect that such Bonds are refunding bonds, and Consolidated Refunding Bonds issued substantially in compliance with such form, with appropriate insertions as therein indicated, when properly executed and authenticated as described above, 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 such Consolidated Refunding Bonds shall be deemed to be binding upon the County in accordance therewith. Authority is hereby conferred on the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, to fill the blanks in such form with the required information, to insert applicable paragraphs as indicated and to make such additions, deletions and substitutions in such form, not inconsistent with this Act, as may be necessary or desirable in the sale of any such series of Consolidated Refunding Bonds, including (without limitation) such changes as may be necessary to permit the establishment of a central depository or book-entry system with respect to such series of Consolidated Refunding Bonds.

SECTION 24. BE IT FURTHER ENACTED that, for the purpose of paying the interest and redeeming and paying the Consolidated Refunding Bonds, as they respectively mature, the County shall include in the levy in each and every fiscal year during which any of the Consolidated Refunding 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 Consolidated Refunding Bonds payable during such fiscal year and the principal of all of the Consolidated Refunding Bonds due 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, to the extent authorized by law, in succeeding fiscal years to make up such deficiency. The County may apply to the payment of the principal of and interest on the Consolidated Refunding Bonds any funds received by it from the State of Maryland, the United States of America, or any agency or instrumentality of either, 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 Refunded Bonds refunded with the proceeds of the Consolidated Refunding Bonds issued pursuant to this Act, or the respective portions of such Refunded Bonds, are authorized or may otherwise be 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 are hereby irrevocably pledged both to the punctual payment of the maturing principal of and interest on the Consolidated Refunding 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 requirements of the Consolidated Refunding Bonds. The County hereby solemnly covenants with each of the holders of any of the Consolidated Refunding Bonds to take all action as may be appropriate from time to time during the period that any of the Consolidated Refunding Bonds remain outstanding and unpaid to provide the funds necessary to make the principal and interest payments on the Consolidated Refunding Bonds. The debt service requirements of the Consolidated Refunding 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 indebtedness whether issued prior to or after the issuance of the Consolidated Refunding Bonds; it is recognized, however, that some outstanding general obligation indebtedness of the County constitute a pledge of the unlimited taxing power of the County. The County further covenants and agrees with each of the holders of any of the Consolidated Refunding Bonds to levy and collect the taxes hereinabove prescribed.

SECTION 25. BE IT FURTHER ENACTED that the County Council hereby determines that the Consolidated Refunding Bonds are at present within the debt limit imposed by Section 5(P) of Article 25A of the Annotated Code of Maryland (1996 Replacement Volume and 1997 Supplement), as shown below:

Assessable base of County	\$16,750,340,000
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Debt limit - 15% of assessable base                      \$ 2,512,551,000

Debt outstanding - not more than                      \$ 396,668,003

Limit on additional debt                                      \$ 2,115,882,997

Maximum aggregate principal amount  
of Consolidated Refunding Bonds  
authorized hereby (150% of maximum  
principal amount of Bonds  
authorized hereby)                                      \$ 276,906,000

Aggregate principal amount of general  
obligation bonds authorized by  
other acts and not issued (not  
including Bonds authorized by  
this Act)    \$ 185,294,000

Total principal amount of general  
obligation bonds authorized and  
not issued (including the  
Consolidated Refunding Bonds)                      \$ 462,200,000

SECTION 26. BE IT FURTHER ENACTED that, with respect to each series of Consolidated Refunding Bonds sold pursuant to this Act, authority is hereby conferred on the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, to take the following actions and make the following commitments on behalf of the County:

(a) in the event any series of Consolidated Refunding Bonds is sold at private (negotiated) sale as authorized by this Act, to sell such series of Consolidated Refunding Bonds issued under this Act upon such terms as he or she deems favorable under the existing market conditions to a bank, investment banking firm or other financial institution that, in such official's judgment, offers to purchase such series of Consolidated Refunding Bonds on terms such official deems favorable to the County under the existing market conditions;

(b) in the event any series of Consolidated Refunding Bonds is sold at private

(negotiated) sale as authorized by this Act, to approve, execute and deliver, as a binding and enforceable obligation of the County, an underwriting or purchase agreement for any series of Consolidated Refunding Bonds issued pursuant to this Act;

(c) after considering any recommendations of the financial advisor to the County and subject to the provisions of Section 23 of this Act, to fix and determine the date of any such series of Consolidated Refunding Bonds, the schedule of annual maturities of any such series, the amount of any such series, the amounts and particular Refunded Bonds of each series to be refunded with the proceeds of any such series of Consolidated Refunding Bonds, and the interest rate or rates to be paid by the County with respect to any such series, including, without limitation, the payment dates for the payment of interest with respect to each maturity of any such series and all matters relating to the provision of bond insurance, if any, on all or any portion of the Consolidated Refunding Bonds;

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

(e) in the event that the County Executive or the Chief Administrative Officer, as the case may be, determines that it is in the best interests of the County to sell any such series of Consolidated Refunding Bonds by soliciting competitive bids at public sale, to determine the date, time and place when proposals for the purchase of any such series of Consolidated Refunding Bonds will be received, to publish and otherwise distribute a suitable notice of sale and provide for a summary thereof for advertisement of such Consolidated Refunding Bonds and to award any series of Consolidated Refunding Bonds for which a legally sufficient proposal has been received to the best bidder;

(f) to appoint a bank having trust powers, or a trust company, as Paying Agent for any such series of Consolidated Refunding Bonds, notwithstanding the fact that such bank or trust company may have neither its principal office nor any branch office within the County or the State of Maryland, and if appropriate, to appoint a similarly qualified bank or trust company as Alternate Paying Agent, such authority to include the power to agree with respect to the compensation of such Paying Agent and Alternate Paying Agent for the services to be rendered by them; to appoint one or more of such banks or trust companies as Refunding

Bond Registrars; and to select and approve the designation of a custodian for a central depository or all matters relating to registration of the Consolidated Refunding Bonds under a book-entry system;

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

(h) to arrange for the preparation and distribution of an appropriate Offering Circular, Official Statement or Official Circular with respect to the sale of any series of Consolidated Refunding Bonds hereby authorized; and

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

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 by order, for each and every series of Consolidated Refunding Bonds issued pursuant to and in accordance with this Act, the matters specified in paragraphs (c), (d), (f), (g) and (i) above and, if a determination is made to sell any such series of Consolidated Refunding Bonds by soliciting competitive bids at public sale, the matters specified in paragraph (e) above for such series of Consolidated Refunding Bonds.

SECTION 27. BE IT FURTHER ENACTED that (1) references to "Bonds" in Section 14 of this Act shall be deemed to include the Consolidated Refunding Bonds and (2) references to "bonds authorized by this Act" in Section 16 of this Act shall be deemed to include the Consolidated Refunding Bonds, unless the context clearly indicates otherwise.

SECTION 28. 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, Consolidated Refunding 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, Consolidated Refunding Bonds or Notes in "registered form" within the meaning of the Registration Statute.

SECTION 29. BE IT FURTHER ENACTED that, the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, by order, is hereby authorized on behalf of the County, to make such undertakings, covenants or agreements for the benefit of the holders of the Bonds, the Consolidated Refunding Bonds or the Notes (including, without limitation, the Program Notes), as applicable, with regard to secondary market disclosure as shall be necessary or appropriate to comply with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended, modified or replaced from time to time ("SEC Rule 15c2-12"). Such authority shall include (without limitation) the power to approve and enter into continuing disclosure or dissemination agreements with any third party; the power to amend or modify any such undertakings, covenants, agreements, or continuing disclosure or dissemination agreements, to the extent permitted by SEC Rule 15c2-12; and the power to provide for the insertion of a description regarding any such secondary market disclosure covenants or agreements in any applicable notice of sale, bond purchase agreement or other purchase contract, and any preliminary or final Official Statement, Offering Circular, Official Circular or similar offering document. Such undertakings, covenants or agreements shall be binding upon the County and the County hereby covenants and agrees to abide by any such undertakings, covenants or agreements made in accordance with this Section for the benefit of the holders of the Bonds, the Consolidated Refunding Bonds or the Notes, as applicable. Any undertaking, covenant or



agreement made by the County Executive or the Chief Administrative Officer, as the case may be, pursuant to this Section shall be set forth in or authorized by an order executed by such official.

SECTION 30. BE IT FURTHER ENACTED that, to the extent applicable, Sections 817B and 817C of the Charter shall apply to the taxes levied as provided in this Ordinance so long as such Sections shall remain in effect.

SECTION 31. 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, the Consolidated Refunding Bonds or the Notes.

SECTION 32. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 30th day of September, 1997.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY:  
Dorothy F. Bailey  
Chair

ATTEST:

Joyce T. Sweeney  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_

BY:  
Wayne K. Curry

County Executive

ATTACHMENT 1  
[Table of Projects]  
(Available in hard copy only)

## ATTACHMENT 2

To CB- -1997

## 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 (per annum)	Maturity Date _____	Original Issue Date _____, 199_	CUSIP _____
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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 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 the \_\_\_\_ 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/first day of the month in which the interest payment date occurs]. 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 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 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 and Section 817C of the County Charter so long as such sections shall be in effect. Section 817B provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the County] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and forty cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value." Section 817C provides that any ordinance or resolution levying or charging taxes or certain fees in excess of the amount levied in the preceding fiscal year shall be referred to a referendum of the qualified voters of the County.

The principal of and interest on this Bond are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered and directed to levy, subject to said Section 817B and Section 817C limitations, upon all the legally assessable property within the corporate limits of the County. The County has covenanted, subject to said Section 817B and Section 817C limitations, to levy said ad valorem taxes in rate and amount sufficient for such payment in each fiscal year in which provision must be made for the payment of such principal and interest and in the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such payment, to levy additional taxes, subject to said limitation, in succeeding fiscal years to make up such deficiency.

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.

This Bond 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 the Executive Orders until the Certificate of Authentication hereon shall have been signed by an authorized signatory of the Bond Registrar.

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

PRINCE GEORGE'S COUNTY,  
MARYLAND

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

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk of the Council

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.

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 (1996 Replacement Volume), the Charter of Prince George's County, Maryland (the "County Charter"), Council Bill CB-\_\_-199\_, (the "Authorization Ordinance"), the bond enabling acts cited therein (the "Enabling Acts"), and the Executive Orders of the County Executive (the "Executive Orders"), including Executive Order \_\_-\_\_\_\_ approved on \_\_\_\_\_. The terms of the Bonds include those stated in the Authorization Ordinances and the Executive Orders, and the Bonds are subject to all such terms. The registered owner of this Bond is referred to the Authorization Ordinances and the Executive Orders for a complete statement of such terms, to which the owner hereof, by acceptance of this Bond assents.

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</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
1998	\$_____	%	2008	\$_____	%
1999	_____	%	2009	_____	%
2000	_____	%	2010	_____	%
2001	_____	%	2011	_____	%
2002	_____	%	2012	_____	%
2003	_____	%	2013	_____	%
2004	_____	%	2014	_____	%
2005	_____	%	2015	_____	%
2006	_____	%	2016	_____	%

2007 \_\_\_\_\_ % 2017 \_\_\_\_\_ %

The County 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 the Director of Finance of the County by the registered owner in person, or by his or her attorney duly authorized in writing, upon surrender together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar duly executed by the registered owner or duly authorized attorney.

This Bond may be transferred or exchanged at the office of the Bond Registrar. Upon any such transfer or exchange, the County shall issue a new registered Bond or Bonds of any of the authorized denominations in aggregate principal amount equal to the principal amount of the Bond transferred or exchanged or the unredeemed portion thereof, and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by the 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 in whole or in part on or after \_\_\_\_\_ 1, \_\_\_\_, at the option of the County and in the order of maturity as directed by the County, at the following redemption prices expressed as percentages of the principal amount of Bonds or portions thereof to be redeemed plus accrued interest thereon to the date fixed for redemption:

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

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



When less than all of a registered Bond in a denomination in excess of \$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 prior to the date fixed for redemption, 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 for the Bonds for which notice was properly given, and the County shall publish such notice of redemption not less than thirty (30) 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, the address of the office of the Bond Registrar and Paying Agent with a contact person and telephone number, whether the Bonds are being redeemed in whole or in part and shall 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.

#### Registration Under DTC Book-Entry Only System

Initially, the Bonds are to be delivered and registered under the book-entry only system maintained by The Depository Trust Company, New York, New York ("DTC"). Notwithstanding anything to the contrary contained in this Bond, for so long as the Bonds are registered under the book-entry only system maintained by DTC, all references to the Registered Owner or Owners of the Bonds shall mean DTC or its partnership nominee, Cede

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

(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, Shapiro and Olander of Baltimore, 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.

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County Executive

(Assignment)

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

---

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

---

Assignee)

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

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 must  
Stock Exchange or a commercial bank  
or trust company.

Notice: The signature to this assignment  
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- -1997

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>
1998	\$ _____	2008	\$ _____
1999	\$ _____	2009	\$ _____
2000	\$ _____	2010	\$ _____
2001	\$ _____	2011	\$ _____
2002	\$ _____	2012	\$ _____
2003	\$ _____	2013	\$ _____
2004	\$ _____	2014	\$ _____
2005	\$ _____	2015	\$ _____
2006	\$ _____	2016	\$ _____
2007	\$ _____	2017	\$ _____

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 Payments: 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 wire or check as determined by the County mailed to each such person's address as it appears on the registration books maintained by the Bond Registrar.

"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 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 after \_\_\_\_\_ 1, \_\_\_\_, are subject to redemption prior to their respective maturities in whole or in part on or after \_\_\_\_\_ 1, \_\_\_\_, at the option of the County and in the order of maturity as directed by the County, at the following redemption prices expressed as percentages of the principal amount of Bonds or portions thereof 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 fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot or in such other manner as the Bond Registrar and Paying Agent, at its discretion, may deem proper.

#### Registration Under DTC Book-Entry Only System

Initially, the Bonds are to be delivered and registered under the book-entry only system

maintained by The Depository Trust Company, New York, New York ("DTC"). Notwithstanding anything to the contrary contained herein, for so long as the Bonds are registered under the book-entry only system maintained by DTC, all references to the Registered Owner or Owners of the Bonds shall mean DTC or its partnership nominee, Cede & Co., or any successor thereto, and the manner and timing for making payments, giving notices, voting and selecting Bonds for redemption shall be governed by agreement between DTC and the County. The County may determine to replace DTC with a replacement securities depository at any time, in which event such replacement securities depository or its nominee shall be deemed to be the Registered Owner or Owners of all the Bonds, and the manner and timing for making payments, giving notices, voting and selecting the Bonds for redemption shall be governed by agreement between such replacement securities depository and the County. In addition, DTC may determine to discontinue its services as a securities depository or the County may determine to discontinue a system of book-entry only registration of the Bonds, in which event Bonds will be delivered in authorized denominations of \$5,000 and integral multiples thereof to or at the direction of the participants of the then existing securities depository.

Authority to Issue: The Bonds are to be issued under the authority of Article 25A of the Annotated Code of Maryland (1996 Replacement Volume), 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 the construction, acquisition, improvement or extension of certain capital projects including [school buildings, library and community college facilities, health facilities, fire stations, police and corrections facilities, roads and road rehabilitation, parking facilities, mass transit, solid waste facilities and County buildings and facilities].

Source of Payment: The County has irrevocably 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 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 and Section 817C of the County Charter so long as such sections shall be in effect. Section 817B provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the County] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and forty cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value." Section 817C provides that any ordinance or resolution levying or charging taxes or certain fees in excess of the amount levied in the preceding fiscal year shall be referred to a referendum of the qualified voters of the County.

The principal of and interest on the Bonds are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered and directed to levy, subject to

said Section 817B and Section 817C limitations, upon all the legally assessable property within the corporate limits of the County. The County has covenanted, subject to said Section 817B and Section 817C limitations, to levy said ad valorem taxes in rate and amount sufficient for such payment in each fiscal year in which provision must be made for the payment of such principal and interest and in the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such payment, to levy additional taxes, subject to said limitation, in succeeding fiscal years to make up such deficiency.

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.

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 three percent (3%) 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 [Insert any applicable provisions regarding term bonds].

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 Shapiro and Olander, Baltimore, Maryland, whose approving opinion 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 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 the Director of Finance of Prince George's County, Room 3200, County Administration Building, Upper Marlboro, Maryland 20772, (301) 952-5025 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 \_\_\_\_\_  
Wayne K. Curry  
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>
1998	\$	%	2008	\$	%
1999	\$	%	2009	\$	%
2000	\$	%	2010	\$	%
2001	\$	%	2011	\$	%
2002	\$	%	2012	\$	%
2003	\$	%	2013	\$	%
2004	\$	%	2014	\$	%
2005	\$	%	2015	\$	%
2006	\$	%	2016	\$	%
2007	\$	%	2017	\$	%

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: \_\_\_\_\_