

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**1996 Legislative Session**Bill No. CB-27-1996Chapter No. 32Proposed and Presented by Chairman Del Giudice (by request - County Executive)Introduced by Council Members Del Giudice and Wilson

Co-Sponsors

Date of Introduction June 18, 1996**BILL**

AN ACT concerning

The Issuance and Sale of General Obligation Stormwater Management Bonds

For the purpose of authorizing and empowering Prince George's County, Maryland, pursuant to Title 3, Subtitle 2 of Article 29 of the Annotated Code of Maryland (1993 Replacement Volume and 1995 Supplement), to issue and sell an amount not to exceed Five Million Six Hundred Fifty Thousand Dollars (\$5,650,000) in aggregate principal amount of general obligation stormwater management bonds for the purpose of providing funds for financing in whole or in part costs of the planning, construction, reconstruction, acquisition, establishment, extension, enlargement, demolition or purchase of certain capital projects set forth in the capital budget of the County for the fiscal year ending June 30, 1997, constituting facilities (including (without limitation) any land, interest in land or equipment) for the control and disposition of storm and surface waters, 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 thereof; prescribing the procedures for the issuance and sale of such bonds; providing for the issuance and sale of such bonds at public or private (negotiated) sale; providing for the forms of such bonds; 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 stormwater management bonds of Prince George's County, Maryland, and related matters; authorizing and empowering the County to issue and sell an amount not to exceed Five Million Six Hundred Fifty Thousand Dollars (\$5,650,000) in general obligation stormwater management 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 stormwater management bond anticipation notes of Prince George's County, Maryland, and related matters; 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 stormwater management bonds (the "Bonds") of Prince George's County, Maryland (the "County"), in an aggregate principal amount not exceeding Five Million Six Hundred Fifty Thousand Dollars (\$5,650,000) is hereby authorized, pursuant to Subtitle 2 of Title 3 of Article 29 of the Annotated Code of Maryland (1993 Replacement Volume and 1995 Supplement), as amended, replaced or recodified from time to time ("Subtitle 2"), in order to finance in whole or part costs of the planning, construction, reconstruction, acquisition, establishment, extension, enlargement, demolition or purchase of capital projects (the "Authorized Projects") listed in the table set forth in Attachment 1, and attached to and made a part of this Act (the "Table of Projects"), constituting facilities (including (without limitation) land, interests in land or equipment) for the control and disposition of storm and surface waters, including floodproofing, flood control or navigation programs and other stormwater programs and systems. Each Authorized Project is described in the Capital Budget of the County for the fiscal year ended June 30, 1997, (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 Projects contained in the Capital Budget are incorporated

herein by reference as if set forth fully herein. 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 Projects that are to be financed in whole or in part with the proceeds of the Bonds, the currently estimated cost of each Authorized Project thereof (the "Total Authorized Amount") and the portion of the Total Authorized Amount of each Authorized Project to be financed hereunder (the "Amount of Bonds Requested").

It is hereby recognized and acknowledged that the information regarding the Total Authorized Amount and the Amount of Bonds Requested for each Authorized 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 1997 through 2002, inclusive (the "Capital Improvement Program"), and is necessarily subject to change because of corresponding changes in construction and other costs, project time schedules, 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 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 (i) add to the Table of Projects any project contained in the Capital Improvement Program or in any amended or subsequent capital budget or capital improvement program, provided that such project is a project that may be financed by bonds issued pursuant to Subtitle 2 and this Act; (ii) delete any Authorized Project from the Table of Projects; and (iii) revise the amounts set forth in the Table of Projects representing the Total Authorized Amount and the Amount of Bonds Requested for any Authorized 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 Amount of Bonds Requested for an Authorized 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 Authorized 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 Amount of Bonds Requested of such Authorized Project to an amount not to exceed the appropriated amount for such project and, correspondingly, may reduce the Amount of Bonds Requested of such other Authorized 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 applicable laws, including (without limitation) Subtitle 2.

SECTION 3. BE IT FURTHER ENACTED that the Bonds (or any portion of them) may be sold and delivered as a single issue of Bonds or as two or more issues of Bonds. Such bonds shall each be designated "Prince George's County, Maryland Stormwater Management Bonds, Series 1996," 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 Bonds, which alternative designation may include (without limitation) reference to "Series 1996."

SECTION 4. BE IT FURTHER ENACTED that, subject to and in accordance with the provisions of Subtitle 2 and 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 dates and amounts of principal maturities, whether all or any portion of the Bonds shall be term bonds subject to mandatory sinking fund redemption and the dates and amounts of any such redemptions, the methods to be used in determining interest payable on the Bonds and the dates on which such interest is payable, 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 and the form and manner of execution and delivery of all documents necessary or deemed appropriate in connection with the authorization, issuance, execution, sale, delivery and payment of and for the Bonds. 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 Projects authorized by this Act to be financed by the Bonds and to reduce the aggregate principal amount of Bonds to be issued accordingly. 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 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 Amount of Bonds Requested for an Authorized Project by the issuance of Bonds at more than one time and from time to time. Notwithstanding the provisions of Sections 2, 3 and 4 of this Act, no order of the County Executive or Chief Administrative

Officer permitted under this Act shall authorize or permit a reduction in the principal amount of Bonds issued for an Authorized Project below the amount for which the County Council has authorized temporary borrowing from other County funds.

The County Executive 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 authority contained in Subtitle 2 and that such refunding bonds, if issued, shall constitute a refunding of indebtedness authorized by this Act and shall not constitute additional indebtedness under such authority or under any other authority. The aggregate principal amount of Bonds authorized to be issued hereunder may be increased by a supplemental ordinance.

The County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, may, after considering any recommendation of the County's financial adviser, reserve to the County the option to call for mandatory tender for purchase (and to sell, transfer or convey any such option to call for mandatory tender for purchase) the Bonds in whole or part, at such times and upon such premiums as the County's financial adviser may recommend.

SECTION 5. BE IT FURTHER ENACTED that the County Executive or, if so provided by order of the County Executive, the Chief Administrative Officer, shall determine whether the Bonds shall be sold at public sale by bids on sealed proposals or by private (negotiated) sale and the procedures to be followed in connection with any such sale. Authority is hereby expressly delegated to the County Executive, or in his or her absence, to the Chief Administrative Officer, to (i) fix the date and the time of the sale of the Bonds; (ii) determine the form and terms of any Notice of Sale to be published in connection with the public advertisement and sale of the Bonds and to approve, execute and deliver any order of award;

and (iii) approve the form and terms of, and authorize the execution and delivery by and on behalf of the County of a bond purchase agreement with underwriters purchasing the Bonds in a private (negotiated) sale. The Bonds may be sold at, above or below the par value thereof.

SECTION 6. BE IT FURTHER ENACTED that there may be printed on each of the Bonds the text of the approving legal opinion of Bond Counsel 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 6 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 and such changes as may be necessary to reserve to the County the option to call for mandatory tender for purchase of all or any portion of the Bonds.

SECTION 7. 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 8. 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 costs of issuance of the Bonds shall be allocated to the Authorized 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. The balance of the proceeds of the sale of the Bonds shall be expended by the County for costs of the Authorized Projects for which Bonds have been issued in accordance with this Act and the provisions of Subtitle 2. If the principal amount of Bonds issued for any Authorized Project exceeds the amount needed to finance such Authorized Project, the excess shall be applied to any other Authorized Project or if no such Authorized Project requires additional funds, to any other capital project permitted by the laws of the State of Maryland (including (without limitation) Subtitle 2) and of the County.

Unless otherwise provided by act or resolution of the County Council or by order of the County Executive pursuant to Section 11 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 9. BE IT FURTHER ENACTED that, for the purpose of paying the interest and redeeming and paying the Bonds, as they respectively mature or become subject to mandatory redemption, the County shall include in the levy in each and every fiscal year during which any of the Bonds are outstanding a direct ad valorem tax upon all property assessed for tax purposes within the stormwater management district established by the County pursuant to Subtitle 2 (the "Stormwater Management District") (except as otherwise provided therein) at a rate required to produce the amount needed to pay, in addition to the other costs of stormwater management to be paid for from amounts in the Stormwater Management District Fund (defined herein) pursuant to Subtitle 2, for the interest on the

Bonds payable during such fiscal year and the principal of all of the Bonds maturing or becoming subject to mandatory sinking fund redemption in each such fiscal year; and in the event the proceeds from taxes so levied in any such fiscal year shall prove insufficient for such purposes, additional taxes, unlimited as to rate or amount, shall be levied within the Stormwater Management District in succeeding fiscal years to make up such deficiency, all as authorized and provided for in Subtitle 2. 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 unlimited 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 requirements 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 Stormwater Management District Fund of the County established pursuant to Subtitle 2 (the "Stormwater Management District Fund"), on a parity with the claim for moneys required for payment of debt service on all other County general obligation stormwater management indebtedness issued pursuant to the authority contained in Subtitle 2, whether issued prior to or after the issuance of the Bonds, and the other purposes for which funds in the Stormwater Management District Fund may be disbursed pursuant to Subtitle 2. 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 10. 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 11. 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.

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

In the event that Bonds are issued pursuant to this Act with the expectation that interest on such Bonds will be excludable from gross income for federal income tax purposes, the County Executive may make such covenants or agreements in connection with the issuance of such Bonds as he or she shall deem advisable in order to assure the registered owners of such Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the County so

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

SECTION 12. 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 13. BE IT FURTHER ENACTED that the powers granted by this Act are additional and cumulative and the Bonds authorized by this Act may be issued, notwithstanding that other bond acts or laws may provide for the issuance of other bonds or the borrowing of money for the same or similar purposes on the same or other terms and conditions. This Act shall be liberally construed to effectuate its purposes, namely, to authorize the borrowing of money and the incurring of indebtedness to finance the Authorized Projects set forth in this Act. Provisions of this Act shall be deemed met and satisfied if there

is substantial compliance with such provisions. This Act is not intended to provide or imply that this Act or any prior act not containing a similar provision precludes the County from exercising any power or prerogative provided by this Act or any other law whether exercised solely pursuant to such other law or in conjunction with the powers provided by this Act so that, without limiting the generality of this Section, the County may exercise the power to issue (i) bond anticipation notes (in anticipation of the issuance of bonds pursuant to this Act or otherwise) and grant anticipation notes pursuant to Section 12 of Article 31 of the Annotated Code of Maryland, as amended, replaced, or recodified from time to time, 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 14. BE IT FURTHER ENACTED that in order to avoid the issuance of a greater amount of Bonds for the Authorized Projects listed in the Table of Projects than is needed therefor, and in order to permit the construction of such projects to proceed prior to the issuance of Bonds and at the same time afford the County maximum flexibility in selecting the most advantageous times for such issuance, the County may provide needed capital funds by the issue and sale of its bond anticipation notes (the "Notes") pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time (the "Bond Anticipation Note Act").

(1) The maximum principal amount of Notes issued pursuant to this Section which may be outstanding at any time shall be Five Million Six Hundred Fifty Thousand Dollars (\$5,650,000) 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) The Notes may be sold at, above or below the par value thereof, including Commercial Paper Notes (hereinafter defined) as hereinafter provided; none of such Notes shall bear interest at a rate in excess of the maximum interest rate, if any, specified by the County Council by Public Local Law to be payable on obligations of Prince George's County, Maryland.

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

If the County shall be unable, for reasons beyond its control, to issue and sell its Bonds, or if the proceeds from the sale of such Bonds shall be insufficient to pay the principal of or interest on any Notes issued, then the County shall include in the levy in each and every fiscal year during which any of the Notes are outstanding a direct ad valorem tax upon all property assessed for tax purposes within the Stormwater Management District (except as

otherwise provided in Subtitle 2) at a rate required to produce the amount needed to pay, in addition to the other costs of stormwater management to be paid from amounts in the Stormwater Management District Fund pursuant to Subtitle 2, for the interest on the Notes payable during such fiscal year and the principal of all of the Notes maturing or becoming subject to mandatory sinking fund redemption in each such fiscal year; and in the event the proceeds from taxes so levied in any such fiscal year shall prove insufficient for such purposes, additional taxes, unlimited as to rate and amount, shall be levied within the Stormwater Management District in succeeding fiscal years to make up such deficiency, all as authorized and provided for in Subtitle 2. 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 unlimited 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 Stormwater Management District Fund on a parity with the claim for moneys required for payment of debt service on all other County general obligation stormwater management indebtedness issued pursuant to the authority contained in Subtitle 2, whether issued prior to or after the issuance of the Notes, and the other purposes

for which funds in the Stormwater Management District Fund may be disbursed pursuant to Subtitle 2. 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 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, 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.

(8) References to "Bonds" in Section 11 of this Act shall be deemed to include Notes.

(9) The authority conferred on the County Executive in Section 12 of this Act in connection with the issuance of Bonds hereunder, with respect to the appointment of paying agents and a registrar, may also be exercised with respect to the issuance and sale of Notes hereunder.

(10) References to "Bonds authorized by this Act" in Section 13 of this Act shall be deemed to include Notes, unless the context clearly requires otherwise.

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

For the purposes of this Act, the term "principal amount," when used with respect to the Program Notes, shall mean (i) in the case of Commercial Paper Notes, the face amount of any such Commercial Paper Note, less any original issue discount on such Commercial Paper Note, and (ii) in the case of Revolving Loan Notes, the principal amount actually advanced under the applicable liquidity facility or credit facility that is evidenced by any such Revolving

Loan Note. Accordingly, it is contemplated by this Act that the aggregate face amount of the Program Notes that may be outstanding from time to time hereunder, together with other Notes issued hereunder and outstanding from time to time, may exceed the aggregate principal amount of Notes authorized to be outstanding hereunder at any one time.

Without limiting the generality of other provisions of this Act, the County Executive 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 15. 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 15 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 unlimited taxing power of the County are pledged to the payment of the purchase or redemption price on the due dates for such payments.

Without limiting the generality of other provisions of this Act, the County Executive 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 15 in order to implement the financing authorized hereby;
- (ii) the form and manner of execution and delivery of documents necessary or deemed appropriate in connection with the authorization, issuance, execution, sale, delivery and payment of and for Variable Rate Demand Obligations;
- (iii) the selection of any trustee, issuing agent, paying agent, tender agent, credit or

liquidity facility provider or other provider of financial or related services necessary or deemed appropriate to the authorization, issuance, execution, sale, delivery and payment of and for Variable Rate Demand Obligations; and

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

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

SECTION 17. 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 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 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.

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 or the Notes.

SECTION 19. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 23rd day of July, 1996.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:
Stephen J. Del Giudice

Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council

APPROVED:

DATE: _____

BY:

Wayne K. Curry
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.

Asterisks *** indicate intervening existing Code provisions that remain unchanged.

ATTACHMENT 1

[Table of Projects]

NOTE: The page of projects is available in hard copy only.

ATTACHMENT 2

To CB-27-1996

FORM OF BOND

(Face of Registered Bond)

REGISTERED

UNITED STATES OF AMERICA

REGISTERED

STATE OF MARYLAND

No. R _____

\$ _____

PRINCE GEORGE'S COUNTY, MARYLAND

STORMWATER MANAGEMENT BOND, SERIES 199_

Interest Rate
(per annum)

Maturity Date

Original Issue Date
_____, 199_

CUSIP

Registered Owner:

Principal Sum:

Dollars

Prince George's County, Maryland (the "County"), a political subdivision and a body corporate and politic of the State of Maryland, hereby acknowledges itself indebted for value received and promises to pay to the Registered Owner shown above or registered assigns on the Maturity Date shown above the Principal Sum shown above or so much thereof as shall not have been paid upon prior redemption and to pay interest thereon at the Interest Rate shown above. Principal shall be paid upon presentment and surrender of this Bond on the date such principal is payable or if such date is not a County Business Day (hereinafter defined) then on the next succeeding County Business Day at the Office of

_____ (the
"Paying Agent"). The interest payable on this Bond, and punctually paid or duly provided for

on any interest payment date, will be paid semiannually on the first day of _____ and _____ in each year to the person in whose name this Bond is registered on the registration books (the "Bond Register") maintained by the Bond Registrar (hereinafter named) as of the close of business on the Regular Record Date which shall be the fifteenth day of the month immediately preceding each interest payment date. Payment of the interest on this Bond shall be by wire or check as determined by the County to such person's address as it appears on the Bond Register. Any such interest not punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered as of the close of business on a date to be fixed by the Bond Registrar for the payment of such defaulted interest (the "Special Record Date"), notice of such payment date and the Special Record Date therefor being given by letter mailed first class, postage prepaid, to the registered owner of such Bond not less than 10 days prior to such Special Record Date, at the address of such owner appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this issue may be listed and upon such notice as may be required by such exchange. Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Original Issue Date shown above.

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

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

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

The full faith and credit and unlimited taxing power of Prince George's County, Maryland are hereby irrevocably pledged to the payment of the principal of this Bond and of the interest payable hereon. To provide for the payment of this Bond, the County is empowered and directed to levy a direct ad valorem tax upon all property assessed for tax purposes within the stormwater management district (the "District") established by the County pursuant to the provisions of Subtitle 2 of Title 3 of Article 29 of the Annotated Code of Maryland (1993 Replacement Volume and 1995 Supplement) ("Subtitle 2"), except as otherwise provided in Subtitle 2.

The principal of and interest on this Bond are payable in the first instance from annual appropriations of the proceeds of a direct ad valorem tax which the County is empowered and directed to levy upon all property assessed for tax purposes within the District (except as otherwise provided in Subtitle 2) and to deposit in the Stormwater Management District Fund established in accordance with Subtitle 2 (the "Stormwater Management District

Fund"). The County has covenanted to levy said ad valorem taxes at a rate required to produce the amount needed to pay, in addition to the other costs of stormwater management to be paid from the amounts in the Stormwater Management District Fund, for such principal and interest coming due during the ensuing fiscal year, and in the event the proceeds from taxes so levied in any such fiscal year shall prove insufficient for such payment, to levy additional taxes within the District in succeeding fiscal years to make up such deficiency.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened, and to be performed precedent to and in the issuance of this Bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, including without limitation Subtitle 2, and the Authorization Ordinance of the County referred to herein, and that the issue of Bonds, of which this Bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and the County.

This Bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws or the Authorization Ordinance 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 Stormwater Management Bonds, Series 199_, of Prince George's County, Maryland.

as Bond Registrar

BY: _____

Authorized Officer

(Back of Registered Bond)

PRINCE GEORGE'S COUNTY, MARYLAND

STORMWATER MANAGEMENT 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 Stormwater Management 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 Subtitle 2 of Title 3 of Article 29 of the Annotated Code of Maryland (1993 Replacement Volume and 1995 Supplement) and Council Bill CB-__- 199_, (the "Authorization Ordinance").

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>
1997	\$ _____	%	2007	\$ _____	%
1998	_____	%	2008	_____	%
1999	_____	%	2009	_____	%
2000	_____	%	2010	_____	%
2001	_____	%	2011	_____	%
2002	_____	%	2012	_____	%
2003	_____	%	2013	_____	%
2004	_____	%	2014	_____	%
2005	_____	%	2015	_____	%
2006	_____	%	2016	_____	%

_____ will provide services as Bond Registrar to open books for the

registration and for the transfer of registered Bonds. This Bond will be transferable only upon the Bond Register kept at the Office of _____ by the registered owner in person, or by his or her attorney duly authorized in writing, upon surrender together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar duly executed by the registered owner or duly authorized attorney.

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

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

Bonds maturing on or after _____ 1, ____, are subject to redemption prior to their respective maturities at the option of the County on or after _____ 1, ____, either as a whole at any time, or in part on any interest payment date in such order of maturity as directed by the County at the following redemption prices expressed as percentages of the principal amount of Bonds 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 less than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot.

When less than all of a registered Bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon the surrender of such Bond, there may be issued to the registered owner

thereof, without charge, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, registered Bonds in any of the authorized denominations, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the registered Bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If, in accordance with the foregoing option, the County elects to redeem all outstanding Bonds, or less than all, it will give notice described herein of its intention to redeem by letter mailed first class, postage prepaid, to the registered owners of such Bonds at least thirty (30) days 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, 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, whether the Bonds are being redeemed in whole or in part and shall also state that the interest on the Bonds so called shall cease to accrue on the date fixed for redemption and shall require that the Bonds so called be presented for redemption and payment at the principal corporate trust office of the Paying Agent.

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

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

(Legal Opinion Certificate)

The undersigned County Executive of Prince George's County, Maryland, hereby certifies that, upon the original delivery of the Bonds, of which this is one, 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.

County Executive

(Assignment)

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

(Please Print or Type Name and Address including

Zip Code of Assignee)

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

Dated:_____

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

Signature Guaranteed:

(Signature of Registered Owner)

Notice: Signatures must be guaranteed
by a member firm of the New York 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.