

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**2002 Legislative Session**Bill No. CB-27-2002Chapter No. 5Proposed and Presented by The Chairman (by request – County Executive)Introduced by Council Members Bailey, Scott, Russell and Dernoga

Co-Sponsors _____

Date of Introduction April 16, 2002**EMERGENCY BILL**

1 AN EMERGENCY ACT concerning

2 The Issuance and Sale of General Obligation Refunding Bonds

3 For the purpose of authorizing and empowering Prince George's County, Maryland, to issue, sell
4 and deliver an amount not to exceed Ninety-nine Million Dollars (\$99,000,000) in aggregate
5 principal amount of general obligation refunding bonds for the purpose of refunding certain
6 outstanding issues of Consolidated Public Improvement Bonds and Stormwater Management
7 Bonds of the County, the proceeds of such refunding bonds to be used for the public purpose of
8 providing funds sufficient to pay the principal of, redemption premium, if any, and interest on
9 such bonds, at the respective maturity, redemption, and interest payment dates on one or more of
10 the issues of Consolidated Public Improvement Bonds, 1991 Refunding Series dated June 15,
11 1991 and originally issued in the aggregate principal amount of \$65,583,759.10; Consolidated
12 Public Improvement Bonds, Series 1992 dated January 15, 1992 and originally issued in the
13 aggregate principal amount of \$38,800,000; Consolidated Public Improvement Bonds, 1992A
14 Refunding Series dated November 15, 1992 and originally issued in the aggregate principal
15 amount of \$55,075,000; Consolidated Public Improvement Bonds, Series 1993 dated January 15,
16 1993 and originally issued in the aggregate principal amount of \$42,000,000; and Stormwater
17 Management Bonds, Series 1993 dated February 1, 1993 and originally issued in the aggregate
18 principal amount of \$25,000,000, at the respective maturity, redemption, and interest payment
19 dates of such bonds; prescribing the procedure for the issuance and sale of, and the maximum
20 principal amount of, such refunding bonds; empowering the County Executive, or the Chief
21 Administrative Officer of the County if authorized by the County Executive of the County,

1 subject to certain guidelines and standards, to determine the time and method for the sale of such
 2 refunding bonds, the form or forms thereof and other details with respect to the sale of such
 3 refunding bonds; providing for the form of such refunding bonds; pledging the full faith and
 4 credit of the County to the payment of such refunding bonds and the interest on such refunding
 5 bonds, when due; providing for the levy and collection of all taxes, charges and assessments
 6 necessary for the payment of the principal of and interest on such refunding bonds when due;
 7 providing for the levy and collection of a direct ad valorem unlimited tax upon all property
 8 assessed for tax purposes within the Stormwater Management District established by the County
 9 necessary for the payment of the allocable portion of the principal of such refunding bonds and
 10 the allocable portion of interest of such refunding bonds issued for stormwater management
 11 facilities (the "Stormwater Portion of the Refunding Bonds"); showing compliance with the
 12 limitations on the power of the County to incur indebtedness; directing the application of the
 13 proceeds of such Refunding Bonds; covenanting that the proceeds of such refunding bonds, (or
 14 any moneys which may be deemed to be proceeds), shall not be used in a manner to cause such
 15 bonds to be arbitrage bonds and covenanting on other matters relating to the tax exempt status of
 16 interest on such refunding bonds; providing for the issuance of such refunding bonds in
 17 registered form, including central depository and book-entry arrangements; providing generally
 18 for the issuance, sale and delivery of general obligation refunding bonds of the County and the
 19 consolidation of bonds and the establishment of a borrowing program for the County and related
 20 matters; providing for compliance with Securities and Exchange Commission Rule 15c2-12;
 21 providing for the severability of the various provisions of this Act; declaring the existence of a
 22 public emergency and describing the same; and providing for the effective date of this Act.

23 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 24 Maryland, that Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement
 25 Volume and 2001 Supplement) (the "Refunding Act") provides that refunding bonds may be
 26 issued by the County for certain public purposes specified in the Refunding Act, including
 27 realizing savings to the County in the aggregate cost of debt service on either a direct comparison
 28 or present value basis or debt restructuring that in the aggregate effects such a savings in the cost
 29 of debt service. The County Council of Prince George's County, Maryland, hereby finds and
 30 determines that the issuance of refunding bonds pursuant to the terms and requirements of this
 31 Act, and particularly Section 5 of this Act, in order to refund all or a portion of the outstanding

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

6 SECTION 2. BE IT FURTHER ENACTED that, acting pursuant to the authority of the
 7 Refunding Act and, as applicable, Article 25A of the Annotated Code of Maryland (2001
 8 Replacement Volume) ("Article 25A"), the County Charter, this Act and certain other authority
 9 pursuant to which the Bonds will be issued, the issuance and sale of bonds (the "Refunding
 10 Bonds") of Prince George's County, Maryland, which may be issued in series from time to time
 11 as hereinafter provided, are hereby authorized in an aggregate principal amount not to exceed
 12 Ninety-nine Million Dollars (\$99,000,000) for the purpose of refunding certain outstanding
 13 issues of Consolidated Public Improvement Bonds and Stormwater Management Bonds of the
 14 County, as follows:

15 The series of Prince George's County, Maryland Consolidated Public Improvement Bonds
 16 and Stormwater Management Bonds which may be refunded with the proceeds of Refunding
 17 Bonds issued pursuant to this Section (each, a "Refunded Consolidated Series") are identified as
 18 to designation, date and original aggregate principal amount on Chart I below. Refunding Bonds
 19 may be issued pursuant to this Act in an aggregate principal amount not to exceed the Maximum
 20 Principal Amount of All Refunding Bonds set forth on Chart I below in order to provide funds
 21 sufficient (a) to purchase direct obligations of, or obligations the timely payment of the principal
 22 of and interest on which is unconditionally guaranteed by, the United States of America
 23 ("Government Obligations"), the principal of and interest on which will be sufficient without
 24 reinvestment, together with any available cash, to pay in a timely manner all or any part of the
 25 principal of and redemption premium, if any, and interest on the bonds of one or more of such
 26 series, and (b) to pay any and all other costs permitted to be paid from the proceeds of such
 27 Refunding Bonds under the Refunding Act, including (without limitation) the costs of issuance
 28 of such Refunding Bonds (including without limitation any bond insurance premium payable by
 29 the County) and applicable underwriting fees.

CHART I

<u>Designation of Series</u>	<u>Date of Series</u>	<u>Original Principal Amount of Series</u>	<u>Maximum Principal Amount of All Refunding Bonds</u>
Prince George's County, Maryland Consolidated Public Improvement Bonds - 1991 Refunding Series	June 15, 1991	\$65,583,759.10	
Prince George's County, Maryland Consolidated Public Improvement Bonds - Series 1992	January 15, 1992	\$38,800,000	
Prince George's County, Maryland Consolidated Public Improvement Bonds - 1992A Refunding Series	November 15, 1992	\$55,075,000	
Prince George's County, Maryland Consolidated Public Improvement Bonds - Series 1993	January 15, 1993	\$42,000,000	
Prince George's County, Maryland Stormwater Management Bonds - Series 1993	February 1, 1993	\$25,000,000	
			\$99,000,000

1 SECTION 3. BE IT FURTHER ENACTED that the Refunding Bonds hereby authorized
2 may be sold for a price at, above, or below par, plus accrued interest to the date of delivery. The
3 Refunding Bonds shall be sold at private (negotiated) sale, and such procedure is hereby
4 determined to be in the public interest. Notwithstanding the foregoing, if the County Executive
5 or, if so provided by order of the County Executive, the Chief Administrative Officer, by order,
6 subsequently determines that it is in the best interests of the County to sell any or all of the
7 Refunding Bonds after first soliciting competitive bids at public sale by written or electronic bids
8 on sealed proposals, then the County Executive or the Chief Administrative Officer, as the case
9 may be, may sell such Refunding Bonds in such manner in accordance with such procedures as
10 he or she shall deem appropriate; provided, however, that such procedures shall be substantially
11 similar to the procedures for public sale with competitive bidding normally used by the County
12 in connection with the sale of its general obligation bonds. Refunding Bonds issued hereunder
13 are hereby specifically exempted from the provisions of Sections 10 and 11 of Article 31 of the
14 Annotated Code of Maryland (1997 Replacement Volume and 2001 Supplement).

15 SECTION 4. BE IT FURTHER ENACTED that the Refunding Bonds (or any portion of
16 them) may be consolidated for sale and issued, may be sold and delivered as a single issue of
17 Refunding Bonds or as two or more issues of Refunding Bonds, or may be consolidated with
18 other bonds of the County, as authorized by Section 2C of Article 31 of the Annotated Code of
19 Maryland, as amended, replaced, or recodified from time to time. Such bonds shall each be
20 designated "Prince George's County, Maryland General Obligation Consolidated Public
21 Improvement Bonds, Refunding Series 20___," and, in the event such bonds are issued at more
22 than one time, the County Executive or, if so provided by order of the County Executive, the
23 Chief Administrative Officer, by order, may specify such additional designation as he or she
24 shall deem appropriate. Moreover, the County Executive or, if so provided by order of the
25 County Executive, the Chief Administrative Officer, is hereby authorized to provide such other
26 or alternative designation as he or she deems necessary or convenient.

27 SECTION 5. BE IT FURTHER ENACTED that, subject to and in accordance with the
28 provisions of this Act, the County Executive or, if so provided by order of the County Executive,
29 the Chief Administrative Officer, shall determine all matters relating to the advertisement, sale,
30 issuance, delivery and payment of the Refunding Bonds, including all matters relating to the

1 forms, dates and denominations of the Refunding Bonds, the dates and amounts of principal
 2 maturities, whether all or any portion of the Refunding Bonds shall be term bonds subject to
 3 mandatory sinking fund redemption and the dates and amounts of any such redemptions, the
 4 methods to be used in determining interest payable on the Refunding Bonds and the dates on
 5 which such interest is payable, and provisions for registration of the Refunding Bonds, for their
 6 redemption prior to stated maturity, and for the use of facsimile signatures or seals, whether the
 7 Refunding Bonds are to be issued in book-entry form and all matters incident to the issuance of
 8 the Refunding Bonds in book-entry form. The County Executive or, if so provided by order of
 9 the County Executive, the Chief Administrative Officer, shall provide for the form, numbering,
 10 term and authentication of the Refunding Bonds and the form and manner of execution and
 11 delivery of all documents necessary or deemed appropriate in connection with the authorization,
 12 issuance, execution, sale, delivery and payment of and for the Refunding Bonds.

13 The County Executive or, if so provided by order of the County Executive, the Chief
 14 Administrative Officer, may provide by order for certain maturities of the Refunding Bonds to be
 15 subject to prior redemption at the option of the County. If the County Executive or the Chief
 16 Administrative Officer, as the case may be, so provides and the Refunding Bonds are issued with
 17 such option, then in the event that the County determines to exercise such option for the purpose
 18 of effecting certain cost savings by refinancing a portion of the indebtedness evidenced by the
 19 Refunding Bonds through the issuance and sale of refunding bonds, it is the intent of the County
 20 that such refunding bonds be issued under the authority contained in Subtitle 2 and that such
 21 refunding bonds, if issued, shall constitute a refunding of indebtedness authorized by this Act
 22 and shall not constitute additional indebtedness under such authority or under any other
 23 authority. The aggregate principal amount of Refunding Bonds authorized to be issued
 24 hereunder may be increased by a supplemental ordinance.

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

31 SECTION 6. BE IT FURTHER ENACTED THAT there may be printed on each of the

1 Refunding Bonds the text of the approving legal opinion of Bond Counsel with respect to such
2 Refunding Bonds. Any such printed text shall be certified to be a correct copy of said opinion by
3 the manual or facsimile signature of the County Executive.

4 The Refunding Bonds shall contain similar provisions and be in substantially the form set
5 forth in Attachment 1, attached hereto and made a part hereof, and Refunding Bonds issued
6 substantially in accordance with said form, with appropriate insertions as indicated, when
7 properly executed and authenticated as required by this Section 6 shall be deemed to constitute
8 unconditional general obligations of the County, to the payment of which, in accordance with the
9 terms thereof, its full faith and credit are pledged, and all the covenants and conditions contained
10 in the Refunding Bonds shall be deemed to be binding upon the County.

11 Authority is hereby conferred on the County Executive or, if so provided by order of the
12 County Executive, the Chief Administrative Officer, to complete, delete or modify the blanks in
13 the respective bond forms with necessary information, to insert applicable paragraphs as
14 indicated or needed and to make such additions, deletions and substitutions in the respective
15 bond forms, not inconsistent with this Act or the County Charter, as may be necessary or
16 desirable to allow for the use of electronic bidding or for the sale of the Refunding Bonds,
17 including (without limitation) such additions, deletions and substitutions as may be necessary or
18 desirable in connection with the establishment or discontinuance of a book-entry registration
19 system for the Refunding Bonds and such changes as may be necessary to reserve to the County
20 the option to call for mandatory tender for purchase of all or any portion of the Refunding Bonds.

21 SECTION 7. BE IT FURTHER ENACTED that the County Executive or, if so provided
22 by order of the County Executive, the Chief Administrative Officer, may authorize on behalf of
23 the County the delivery of a Preliminary Official Statement and a final Official Statement in
24 connection with the issuance and sale of the Refunding Bonds.

25 SECTION 8. BE IT FURTHER ENACTED that, for the purpose of paying the interest and
26 redeeming and paying the Refunding Bonds, as they respectively mature, the County shall
27 include in the levy in each and every fiscal year during which any of the Refunding Bonds are
28 outstanding ad valorem taxes upon all the legally assessable property within the corporate limits
29 of the County in rate and amount sufficient to provide for the payment, when due, of the interest
30 on the Refunding Bonds payable during such fiscal year and the principal of all of the Refunding
31 Bonds due in each such fiscal year; and in the event the proceeds from taxes so levied in any

1 such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied, to the
2 extent authorized by law, in succeeding fiscal years to make up such deficiency. The County
3 may apply to the payment of the principal of and interest on the Refunding Bonds any funds
4 received by it from the State of Maryland, the United States of America, or any agency or
5 instrumentality of either, or from any other source, if such funds are granted for the purpose of
6 assisting the County in obtaining public facilities of the class or classes of public facilities for
7 which the Refunded Bonds refunded with the proceeds of the Refunding Bonds issued pursuant
8 to this Act, or the respective portions of such Refunded Bonds, are authorized or may otherwise
9 be lawfully applied to such payment; to the extent that any such funds are applied to such
10 purposes in any fiscal year as provided herein, the taxes hereby required to be levied shall be
11 reduced proportionately.

12 The full faith and credit of the County and the taxing power of the County are hereby
13 irrevocably pledged both to the punctual payment of the maturing principal of and interest on the
14 Refunding Bonds as and when such principal and interest respectively become due, and to the
15 levy and collection of the taxes hereinabove prescribed as and when such taxes become
16 necessary in order to provide sufficient funds to meet the debt service requirements of the
17 Refunding Bonds. The County hereby solemnly covenants with each of the holders of any of the
18 Refunding Bonds to take all action as may be appropriate from time to time during the period
19 that any of the Refunding Bonds remain outstanding and unpaid to provide the funds necessary
20 to make the principal and interest payments on the Refunding Bonds. The debt service
21 requirements of the Refunding Bonds shall have a first and prior claim on all moneys of the
22 General Fund of the County on a parity with the claim for moneys required for payment of debt
23 service on all other County general obligation indebtedness whether issued prior to or after the
24 issuance of the Refunding Bonds; it is recognized, however, that some outstanding general
25 obligation indebtedness of the County constitute a pledge of the unlimited taxing power of the
26 County. Further, it is provided with respect to the principal and interest of the Stormwater
27 Portion of the Refunding Bonds, the primary security and pledge for debt service requirements
28 shall be the Stormwater Management District Fund. The County further covenants and agrees
29 with each of the holders of any of the Refunding Bonds to levy and collect the taxes hereinabove
30 prescribed.

31 SECTION 9. BE IT FURTHER ENACTED that, for the purpose of paying the interest and

1 redeeming and paying the allocable portion of the principal and interest on the Stormwater
 2 Portion of the Refunding Bonds, as they respectively mature or become subject to mandatory
 3 redemption, the County shall include in the levy in each and every fiscal year during which any
 4 of the Stormwater Portion of the Refunding Bonds are outstanding a direct ad valorem tax upon
 5 all property assessed for tax purposes within the stormwater management district established by
 6 the County (the "Stormwater Management District") pursuant to Subtitle 2 of Title 3 of Article
 7 29 of the Annotated Code of Maryland (1997 Replacement Volume and 2001 Supplement)
 8 ("Subtitle 2") at a rate required to produce the amount needed to pay, in addition to the other
 9 costs of stormwater management to be paid for from amounts in the Stormwater Management
 10 District Fund (defined herein) pursuant to Subtitle 2, for the interest on the Stormwater Portion
 11 of the Refunding Bonds payable during such fiscal year and the principal of all of the
 12 Stormwater Portion of the Refunding Bonds maturing or becoming subject to mandatory sinking
 13 fund redemption in each such fiscal year, and in the event the proceeds from taxes so levied in
 14 any such fiscal year shall prove insufficient for such purposes, additional taxes, unlimited as to
 15 rate or amount, shall be levied within the Stormwater Management District in succeeding fiscal
 16 years to make up such deficiency, all as authorized and provided for in Subtitle 2.

17 The debt service requirements of the Stormwater Portion of the Refunding Bonds shall have
 18 a first and prior claim on all moneys of the Stormwater Management District Fund of the County
 19 established pursuant to Subtitle 2 (the "Stormwater Management District Fund"), on a parity with
 20 the claim for moneys required for payment of debt service on all other County general obligation
 21 stormwater management bonds issued pursuant to the authority contained in Subtitle 2, whether
 22 issued prior to or after the issuance of the Stormwater Portion of the Refunding Bonds, and the
 23 other purposes for which funds in the Stormwater Management District Fund may be disbursed
 24 pursuant to Subtitle 2. The County further covenants and agrees with each of the registered
 25 owners of any of the Stormwater Portion of the Refunding Bonds to levy and collect the taxes
 26 hereinabove prescribed.

27 SECTION 10. BE IT FURTHER ENACTED that the County Council hereby determines
 28 that the Refunding Bonds are at present within the debt limit imposed by Section 5(P) of Article
 29 25A of the Annotated Code of Maryland (2001 Replacement Volume), as shown below:

Assessable base of County	\$41,983,800,000
Debt limit (A Total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property)	\$ 2,793,906,000
Debt Outstanding as of June 30, 2002 - Not more than (subtracting the amount of Consolidated Refunded Bonds authorized hereby to be refunded)	\$ 405,486,731
Limit on additional debt	\$ 2,388,419,262
Aggregate principal amount of Consolidated Refunding Bonds authorized hereby	\$ 99,000,000
Aggregate principal amount of general obligation bonds authorized by other acts and not issued	\$ 331,894,000
Total principal amount of general obligation bonds authorized and not issued (including the Consolidated Refunding Bonds)	\$ 430,894,000

1 SECTION 11. BE IT FURTHER ENACTED in the event any official of the County whose
 2 signature shall appear on any Refunding Bonds or on other instruments or documents pertaining
 3 thereto, shall cease to be such official prior to the delivery of the Refunding Bonds or other
 4 instruments or documents, or in the event that any official shall take office subsequent to the sale
 5 of the Refunding Bonds, his or her signature shall nevertheless be valid, sufficient and binding
 6 for the purposes herein intended.

7 SECTION 12. BE IT FURTHER ENACTED that the County Executive and the Chief
 8 Administrative Officer shall be the officers of the County responsible for the issuance of any
 9 Refunding Bonds within the meaning of the "arbitrage regulations" (defined below).

10 The County Executive or, if so provided by order of the County Executive, the Chief
 11 Administrative Officer, and the Director of Finance shall be the officers of the County
 12 responsible for the execution and delivery (on the date of issuance of the Refunding Bonds) of a
 13 certificate of the County (the "Tax and Section 148 Certificate") which complies with the
 14 requirements of Section 148 of the Internal Revenue Code of 1986, as amended ("Section 148"),
 15 and the applicable regulations thereunder (the "arbitrage regulations"), and such officials are
 16 hereby directed to execute the Tax and Section 148 Certificate and to deliver the same to bond
 17 counsel on the date of the issuance of the Refunding Bonds.

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

29 In the event that Refunding Bonds are issued pursuant to this Act with the expectation that
 30 interest on such Refunding Bonds will be excludable from gross income for federal income tax
 31 purposes, the County covenants with each of the registered owners of any of the Refunding

1 Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be
 2 made, any use of the Bond Proceeds which would cause the Refunding Bonds to be "arbitrage
 3 bonds" within the meaning of Section 148 and the arbitrage regulations. The County further
 4 solemnly covenants that it will comply with Section 148 and the regulations thereunder which
 5 are applicable to the Refunding Bonds on the date of issuance thereof and which may
 6 subsequently lawfully be made applicable thereto as long as the Bonds remain outstanding and
 7 unpaid. The County Executive, the Chief Administrative Officer and the Director of Finance of
 8 the County are hereby authorized and directed to prepare or cause to be prepared and to execute,
 9 respectively, any certification, opinion or other document, including (without limitation) the Tax
 10 and Section 148 Certificate, which may be required to assure that the Refunding Bonds will not
 11 be deemed to be "arbitrage bonds" within the meaning of Section 148 and the regulations
 12 thereunder.

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

22 In the event that Refunding Bonds are issued pursuant to this Act with the expectation that
 23 interest on such Refunding Bonds will be excludable from gross income for federal income tax
 24 purposes, the County Executive may make such covenants or agreements in connection with the
 25 issuance of such Refunding Bonds as he or she shall deem advisable in order to assure the
 26 registered owners of such Refunding Bonds that interest thereon shall be and remain excludable
 27 from gross income for federal income tax purposes, and such covenants or agreements shall be
 28 binding on the County so long as the observance by the County of any such covenants or
 29 agreements is necessary in connection with the maintenance of the exclusion of the interest on
 30 such Refunding Bonds from gross income for federal income tax purposes. The foregoing
 31 covenants and agreements may include such covenants or agreements on behalf of the County

1 regarding compliance with the provisions of the Internal Revenue Code of 1986, as amended, as
 2 the County Executive shall deem advisable in order to assure the registered owners of such
 3 Refunding Bonds that the interest thereon shall be and remain excludable from gross income for
 4 federal income tax purposes, including (without limitation) covenants or agreements relating to
 5 the investment of Refunding Bond Proceeds, the payment of certain earnings resulting from such
 6 investment to the United States (or certain payments in lieu thereof as provided in the Internal
 7 Revenue Code of 1986, as amended), limitations on the times within which, and the purpose for
 8 which, Refunding Bond Proceeds may be expended, or the use of specified procedures for
 9 accounting for and segregating Refunding Bond Proceeds. Any covenant or agreement made by
 10 the County Executive pursuant to this paragraph shall be set forth in or authorized by an order
 11 executed by the County Executive.

12 SECTION 13. BE IT FURTHER ENACTED that the County Executive or, if so provided
 13 by order of the County Executive, the Chief Administrative Officer, is hereby authorized to
 14 select and appoint a bank or other financial institution to act as paying agent for the payment of
 15 the principal and redemption price, if any, of and interest on the Refunding Bonds and to act as
 16 registrar for the Refunding Bonds. The selection of the paying agent and bond registrar shall be
 17 accomplished in accordance with applicable provisions of law. In the event that the Refunding
 18 Bonds are issued in book-entry form, the County Executive may determine that a Bond Registrar
 19 need not be designated or that the County shall act as bond registrar and paying agent.

20 SECTION 14. BE IT FURTHER ENACTED that, the County Executive or, if so provided
 21 by order of the County Executive, the Chief Administrative Officer, by order, is hereby
 22 authorized on behalf of the County, to make such undertakings, covenants or agreements for the
 23 benefit of the holders of the Refunding Bonds with regard to secondary market disclosure as
 24 shall be necessary or appropriate to comply with the provisions of Securities and Exchange
 25 Commission Rule 15c2-12, as amended, modified or replaced from time to time ("SEC Rule
 26 15c2-12"). Such authority shall include (without limitation) the power to approve and enter into
 27 continuing disclosure or dissemination agreements with any third party; the power to amend or
 28 modify any such undertakings, covenants, agreements, or continuing disclosure or dissemination
 29 agreements, to the extent permitted by SEC Rule 15c2-12; and the power to provide for the
 30 insertion of a description regarding any such secondary market disclosure covenants or
 31 agreements in any applicable notice of sale, bond purchase agreement or other purchase contract,

1 and any preliminary or final Official Statement, Offering Circular, Official Circular or similar
2 offering document. Such undertakings, covenants or agreements shall be binding upon the
3 County and the County hereby covenants and agrees to abide by any such undertakings,
4 covenants or agreements made in accordance with this Section for the benefit of the holders of
5 the Refunding Bonds. Any undertaking, covenant or agreement made by the County Executive
6 or the Chief Administrative Officer, as the case may be, pursuant to this Section shall be set forth
7 in or authorized by an order executed by such official.

8 SECTION 15. BE IT FURTHER ENACTED that, to the extent applicable, Sections 817B
9 and 817C of the Charter shall apply to the taxes levied as provided in this Act so long as such
10 Sections shall remain in effect.

11 SECTION 16. BE IT FURTHER ENACTED that the provisions of this Act are hereby
12 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
13 sentence, clause, phrase, or word of this Act, including any covenants or agreements provided
14 herein on the part of the County to be performed, is declared invalid or unconstitutional by a
15 court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the
16 remaining words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or
17 sections of this Act nor shall affect the validity of the bonds Refunding Bonds since the same
18 would have been enacted without the incorporation in this Act of any such invalid or
19 unconstitutional word, phrase, clause, sentence, subparagraph, subsection, or section.

20 SECTION 17. BE IT FURTHER ENACTED that in accordance with the provisions of
21 Section 317 of the Charter, the County Council hereby declares that a public emergency exists
22 affecting the public health, safety, and welfare; said emergency being the County's immediate
23 need to take advantage of extremely favorable interest-rate conditions in the current tax-exempt
24 markets by selling the Refunding Bonds as soon as possible in order to achieve savings in the
25 cost of debt service.

1 SECTION 18. BE IT FURTHER ENACTED that this Act shall take effect on the date it
2 becomes law.

3 Adopted this 7th day of May, 2002, by an affirmative vote of two-thirds of the members of
4 the full County Council.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Peter A. Shapiro
Chair

ATTEST:

Redis C. Floyd
Acting Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Wayne K. Curry
County Executive

ATTACHMENT 1

To CB-27-2002

FORM OF BOND

(Face of Registered Bond)

REGISTERED UNITED STATES OF AMERICA REGISTERED
STATE OF MARYLAND

No. R _____ \$ _____

PRINCE GEORGE'S COUNTY, MARYLAND

GENERAL OBLIGATION CONSOLIDATED PUBLIC IMPROVEMENT BOND

- 20__ REFUNDING SERIES

Interest Rate (<u>per annum</u>)	Maturity Date	Original Issue Date	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.

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.

To provide for the payment of the allocable portion of the principal of and interest on the portion of this Bond payable hereon issued to refund certain Stormwater Management Bonds, the principal and interest on such allocable portion are payable in the first instance from amounts on deposit in the Stormwater Management Enterprise Fund ("Stormwater Fund"). The County has covenanted to levy in each fiscal year during which this portion of the Bonds is outstanding a direct ad valorem unlimited tax upon all property assessed for tax purposes within the stormwater management district established by the County (the "Stormwater Management District") pursuant to Subtitle 2 of Title 3 of Article 29 of the Annotated Code of Maryland (1997 Replacement Volume and 2001 Supplement) ("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 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 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, 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, 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 Public
Improvement Bonds - 20__ Refunding Series, of Prince George's County, Maryland.

PRINCE GEORGE'S COUNTY, MARYLAND
as Bond Registrar

BY: _____
Authorized Officer

(Details of Bond)

PRINCE GEORGE'S COUNTY, MARYLAND

PUBLIC IMPROVEMENT BOND

- 20__ REFUNDING SERIES

This Bond is one of a duly authorized issue of general obligation bonds of the County, designated "Prince George's County, Maryland Public Improvement Bonds - 20__ Refunding Series", all dated _____ 1, ____, 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 Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2001 Supplement), the Charter of Prince George's County, Maryland (the "County Charter"), and Chapter ____ of the Laws of Prince George's County, Maryland, of 2002, enacted by the County Council on _____, 2002, approved by the County Executive on _____, 2002, and effective _____, 2002, (the "Authorization Ordinance"), and certain other authority pursuant to which bonds being refunded by this series of bonds were issued.

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 _____ in the following years and aggregate amounts:

<u>Bonds Paid from General Fund</u>			<u>Bonds Paid from Stormwater Fund</u>			<u>Total</u>		
<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	
2002	\$ _____	___ %	2002	\$ _____	___ %	\$ _____	___ %	
2003	\$ _____	___ %	2003	\$ _____	___ %	\$ _____	___ %	
2004	\$ _____	___ %	2004	\$ _____	___ %	\$ _____	___ %	
2005	\$ _____	___ %	2005	\$ _____	___ %	\$ _____	___ %	
2006	\$ _____	___ %	2006	\$ _____	___ %	\$ _____	___ %	
2007	\$ _____	___ %	2007	\$ _____	___ %	\$ _____	___ %	
2008	\$ _____	___ %	2008	\$ _____	___ %	\$ _____	___ %	
2009	\$ _____	___ %	2009	\$ _____	___ %	\$ _____	___ %	

<u>Bonds Paid from General Fund</u>			<u>Bonds Paid from Stormwater Fund</u>			<u>Total</u>	
<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	\$ _____	___ %	2010	\$ _____	___ %	\$ _____	___ %
2011	\$ _____	___ %	2011	\$ _____	___ %	\$ _____	___ %
2012	\$ _____	___ %	2012	\$ _____	___ %	\$ _____	___ %
2013	\$ _____	___ %	2013	\$ _____	___ %	\$ _____	___ %

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.

[Insert the following Redemption Provisions, if applicable]

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, Hunton & Williams, Washington, D.C., Bond Counsel 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

[Form of Assignment]

(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:

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

(Signature of Registered Owner)

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