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COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

Legislative Session 1991

Bill No. CB-32-1991

Chapter No. 11

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

Introduced by Council Members MacKinnon, Fletcher,
Wineland, Casula and Castaldi

Co-Sponsors _____

Date of Introduction April 16, 1991

BILL

AN ACT concerning

The Issuance and Sale of General Obligation Refunding Bonds FOR the purpose of authorizing and empowering Prince George's County, Maryland, to issue, sell and deliver up to Seventy Million Dollars (\$70,000,000) in aggregate principal amount of serial maturity, general obligation bonds for the purpose of refunding certain outstanding issues of Consolidated Public Improvement Bonds of the County, the proceeds of such bonds to be used for the public purpose of providing funds sufficient to pay principal of, redemption premium, if any, and interest on one or more of the issues of Consolidated Public Improvement Bonds of 1981, dated August 1, 1981, and originally issued in the aggregate principal amount of \$13,240,000; Consolidated Public Improvement Bonds of

1985, dated August 1, 1985, and originally issued in the aggregate principal amount of \$28,480,000; Consolidated Public Improvement Bonds -- 1986 Refunding Series, dated December 1, 1986, and originally issued in the aggregate principal amount of \$23,805,000; Consolidated Public Improvement Bonds of 1987, dated September 1, 1987, and originally issued in the aggregate principal amount of \$52,450,000; Consolidated Public Improvement Bonds, Series 1989A, dated February 1, 1989, and originally issued in the aggregate principal amount of \$58,850,000; and Consolidated Public Improvement Bonds, Series 1990A, dated February 1, 1990, and issued in the original principal amount of \$48,500,000, at the respective maturity, redemption, and interest payment dates of such bonds; prescribing the procedure for the issuance and sale of such refunding bonds; empowering the County Executive, or the Chief Administrative Officer of the County if authorized by the Chief Executive of the County, subject to certain guides and standards, to determine the time and method for the sale of such refunding bonds, the form or forms thereof and other details with respect to and the sale of such refunding bonds; providing for the form of such refunding bonds; pledging the full faith and credit of the County to the payment of such refunding bonds and the interest on such refunding bonds, when due; providing for the levy and collection of all taxes, charges and assessments necessary for the payment of the principal of and interest on such refunding bonds when due; showing compliance with the limitations on the power of the County to incur indebtedness; providing for essential flexibility in the financing

or refinancing of the County's capital projects and the issuance of indebtedness; adopting a long-term financial plan for the County and determining that such refunding bonds are issued for the public purpose, among others, of debt restructuring that is consistent with such plan and is in the best interests of the County and realizes a financial objective of the County and providing that such matters shall be further determined by the County Council, if appropriate, by resolution prior to the issuance of such refunding bonds; covenanting that the proceeds of such refunding bonds, or any moneys which may be deemed to be proceeds, will not be used in a manner to cause such bonds to be arbitrage bonds and covenanting on other matters relating to the tax exempt status of interest on such refunding bonds; and generally providing for the consolidation and authorization of a borrowing program for the County and matters generally related thereto.

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that Section 24 of Article 31 of the Annotated Code of Maryland (1990 Replacement Volume) (the "Refunding Act") provides that refunding bonds may be issued by the County for certain public purposes specified in such Refunding Act, including realizing savings to the County in the aggregate cost of debt service on either a direct comparison or present value basis or debt restructuring that either in the aggregate effects such a savings in the cost of debt service or is determined by the County Council to be in the best interests of the County, to be consistent with the County's long-term financial plan and to realize a financial

objective of the County.

The County Council of Prince George's County, Maryland, hereby finds and determines that the issuance of refunding bonds pursuant to the terms and requirements of this Act, and particularly Section 5 of this Act, in order to refund all or a portion of the outstanding principal amount of certain outstanding Consolidated Public Improvement Bonds will effectuate and accomplish the public purpose of realizing savings to the County in the aggregate cost of debt service on either a direct comparison or a present value basis or of debt structuring that in the aggregate effects such a reduction in the cost of debt service or is in the best interests of the County, is consistent with the long-term financial plan of the County attached to this Act and made a part of this Act as Attachment A and will realize a financial objective of the County, including (without limitation) improving the relationship of debt service to the receipt of revenues to be used as the source of payment thereof. The long-term financial plan attached to this Act as Attachment A is hereby adopted as the long-term financial plan of the County for purposes of the foregoing sentence, subject to amendment from time to time by Ordinance or Resolution of the County Council.

SECTION 2. BE IT FURTHER ENACTED that, acting pursuant to the authority of the Refunding Act and, as applicable, Article 25A of the Annotated Code of Maryland (1990 Replacement Volume) ("Article 25A"), the Charter of Prince George's County, Maryland (the "County Charter"), and certain other authority pursuant to which the various

Consolidated Public Improvement Bonds were issued, the issuance and sale of bonds (the "Consolidated Refunding Bonds") of Prince George's County, Maryland, which may be issued in series from time to time as hereinafter provided, are hereby authorized in an aggregate principal amount not to exceed Seventy Million Dollars (\$70,000,000) for the purpose of refunding certain outstanding issues of Prince George's County, Maryland Consolidated Public Improvement Bonds, as follows:

The series of Prince George's County, Maryland Consolidated Public Improvement Bonds which may be refunded with the proceeds of Consolidated Refunding Bonds issued pursuant to this Section (each, a "Refunded Consolidated Series") are identified as to designation, date and original aggregate principal amount on Chart I below. Consolidated Refunding Bonds may be issued pursuant to this Act in an aggregate principal amount not to exceed the Maximum Principal Amount for All of Refunding Bonds set forth on Chart I below in order to provide funds sufficient (a) to purchase direct obligations of, or obligations the timely payment of the principal and interest on which is unconditionally guaranteed by, the United States of America ("Government Obligations"), the principal of and interest on which will be sufficient without reinvestment to pay in a timely manner all or any part of the principal of and redemption premium, if any, and interest on the bonds of one or more of such Refunded Consolidated Series, and (b) to pay any and all other costs permitted to be paid from the proceeds of such bonds under the Refunding Act, including (without limitation) the costs of issuance

of such bonds and applicable underwriting fees.

CHART I

Aggregate

Principal

Amount of All
Date of
Series

Amount of	Designation of Refunded Refunding	Original Principal	
<u>Refunded Series</u>	<u>Refunded Series</u>	<u>Series</u>	
		<u>Bonds</u>	
Prince George's County, Maryland Consolidated Public Improvement Bonds	August 1, 1981	\$13,240,000	
Prince George's County, Maryland Consolidated Public Improvement Bonds of 1985	August 1, 1985	\$28,480,000	
Prince George's County, Maryland Consolidated Public Improvement Bonds - 1986 Refunding Series	December 1, 1986	\$23,805,000	
Prince George's County, Maryland Consolidated Public Improvement Bonds of 1987	September 1, 1987	\$52,450,000	

Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 1989A	February 1, 1989	\$58,850,000
Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 1989 B	February 1, 1989	\$ 1,000,000
Prince George's County, Maryland Consolidated Public Improvement Bonds, Series 1990A	February 1, 1990	\$48,500,000

\$70,000,000

SECTION 3. BE IT FURTHER ENACTED that the Consolidated Refunding Bonds hereby authorized may be sold for a price at, above, or below par, plus accrued interest to the date of delivery. The Consolidated Refunding Bonds shall be sold at private (negotiated) sale, and such procedure is hereby determined to be in the public interest. Notwithstanding the foregoing, if the County Executive, or the Chief Administrative Officer of the County, if authorized by the County Executive, subsequently determines that it is in the best interests of the County to sell any or all of the Consolidated Refunding Bonds after first soliciting competitive bids at public sale, then the County Executive or the Chief Administrative Officer, as the case may be, may sell such bonds in such manner in accordance with such procedures as he or she shall deem appropriate; provided, however, that such procedures shall be substantially similar to the procedures for public sale with competitive bidding normally used by the County in connection with the sale of its general obligation bonds. Consolidated Refunding Bonds issued hereunder are hereby

specifically exempted from the provisions of Section 10 and 11 of Article 31 of the Annotated Code of Maryland (1990 Replacement Volume).

SECTION 4. BE IT FURTHER ENACTED that Consolidated Refunding Bonds authorized to be issued for the purposes specified above may be issued in series from time to time. Each such series shall identify the public purpose for which it is issued, by the printing on each bond of the words "Prince George's County, Maryland Consolidated Public Improvement Bonds - 1991 Refunding Series". The County Executive, or the Chief Administrative Officer, if authorized by the County Executive, may incorporate such additional designations in the name of the series as he or she deems necessary or convenient to distinguish two or more series issued for the same purpose within the same calendar year.

SECTION 5. BE IT FURTHER ENACTED that, subject to the provisions of the next succeeding paragraph, the Consolidated Refunding Bonds shall be issued as registered bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof within the limits of specified maturities with the maximum denomination to be determined by the County Executive, or the Chief Administrative Officer, if authorized by the County Executive. The Consolidated Refunding Bonds of each series shall be dated prior to the date of the delivery of such series as determined by the County Executive, or the Chief Administrative Officer, if authorized by the County Executive. The Consolidated Refunding Bonds, when first issued, shall be numbered from No. R-1

consecutively upward in the order of their maturities, but such numbering need not be continuously consecutive; provided, however, that Consolidated Refunding Bonds issued after the original issuance of the Consolidated Refunding Bonds may be numbered consecutively without regard to their maturities at the discretion of the Bond registrar (hereinafter defined) to conform with standard registered bond registration practices. Registration books (the "Bond Register") for the Bonds shall be maintained by the bond registrar to be selected and appointed by the County Executive of the County pursuant to this Act (the "Bond Registrar").

The County Executive, or the Chief Administrative Officer, if authorized by the County Executive, may determine to issue any series of Consolidated Refunding Bonds, or any portion of any such series, as "capital appreciation" bonds, the interest on which shall accrue but shall not be payable until the date on which the principal of such bonds is payable, whether at maturity or upon earlier redemption. In such case, the aggregate accreted amount of principal of and interest on each such bond payable at its maturity shall equal \$5,000 or any integral multiple thereof within the limits of specified maturities with the maximum denomination to be determined by the County Executive, or the Chief Administrative Officer, if authorized by the County Executive. The principal amount of any such bonds for all purposes in this Act shall be the amount of original proceeds received by the County from the sale thereof. No Consolidated Refunding Bonds shall be issued as "capital appreciation" bonds unless, at or prior to their issuance,

there shall have been delivered to the County Executive a certificate of the financial advisor to the County to the effect that the total interest cost to the County of such "capital appreciation" bonds is no greater than the total interest cost the County would have borne had such bonds been issued as "current interest" bonds of the same aggregate principal amount and maturing in the same years with a maturity schedule consistent with the County's customary practices taking into account interest rates prevailing at the time of their issuance.

The Consolidated Refunding Bonds of each series, or of successive series for the same public purpose, shall mature and be payable in consecutive annual installments, beginning not later than the second anniversary of such series, or of the first series of a group, and concluding on or before the latest day on which the Consolidated Refunded Series to be refunded from the proceeds of such series could have matured pursuant to the authority under which such Consolidated Refunded Series was issued.

Pursuant to Section 8 of this Act, the County Executive, or the Chief Administrative Officer, if authorized by the County Executive, shall determine (a) the principal amount and maturities of each series of Consolidated Refunding Bonds to be issued and (b) the portions of each Consolidated Refunded Series to be refunded with the proceeds of each series of Consolidated Refunding Bonds; provided, however, that the issuance of any series of Consolidated Refunding Bonds to refund all or any portion of one or more Consolidated Refunded Series will effectuate and accomplish the

public purpose of realizing savings to the County in the aggregate cost of debt service on either a direct comparison or a present value basis with respect to the portion of any Consolidated Refunded Series being refunded or debt restructuring that in the aggregate effects such a reduction in the cost of debt service; or, if such is not the case, that, as required by paragraph (a) (2) (ii) of the Refunding Act, the County Council by resolution shall determine that such refunding will effectuate and accomplish the public purpose of debt restructuring that is in the best interests of the County, remains at that time consistent with the long-term financing plan of the County and will realize a financial objective of the County, including improving the relationship of debt service to a source of payment such as taxes, assessments or other charges; provided, however, that such resolution shall not be required in the case of the issuance of any series of Consolidated Refunding Bonds issued to accomplish the refunding of that portion of the principal of and interest on the Consolidated Refunded Series described in Table 1 to the long-term financial plan of the County contained in Attachment A hereto, in an aggregate principal amount of Consolidated Refunding Bonds not exceeding that set forth in such Table 1, such a refunding being hereby found and determined by the County Council to effectuate the public purpose of debt restructuring that is in the best interests of the County, is consistent with such long-term financial plan of the County and will realize the financial objectives of the County as set out in such financial plan; and further provided that such resolution shall not be required in the

case of any series of Consolidated Refunding Bonds if (A) the long-term financing plan of the County attached hereto as Attachment A has not been amended or repealed; (B) such series of Consolidated Refunding Bonds shall be issued on or before June 30, 1993; and (C) the refunding accomplished by the issuance of such series of Consolidated Refunding Bonds will result in: (i) the reduction of net debt service payments by the County during the first fiscal year following their issuance (ii) a reduction, if any, in the rapidity of principal retirement of the County's long-term general obligation debt not in excess of that set forth in applicable guidelines published by the rating agencies then maintaining ratings on the County's general obligation bonds and (iii) an aggregate debt service loss of no more than \$1,000,000 on a present value basis, such a refunding being hereby found and determined by the County Council to effectuate the public purpose of debt restructuring that is in the best interests of the County, is consistent with such long-term financial plan of the County and will realize the financial objectives of the County as set out in such financial plan.

The series of bonds to be issued pursuant to the authority of this Act shall be executed on behalf of the County by the facsimile signature of the County Executive and a facsimile of the seal of the County shall be imprinted thereon, attested by the facsimile signature of the Clerk to the County Council. Each such bond shall be authenticated by the manual signature of the County Executive or Director of Finance of the County or an authorized officer of the

bond Registrar. No bonds issued pursuant to this Act shall be valid for any purpose or constitute an obligation of the County unless so authenticated. In case any official of the County, whose signature shall appear on any such bonds, shall cease to be such official prior to the delivery of such bonds, or in the case that any such official shall take office subsequent to the date of issue of any such bonds, his or her signature, in either event, shall nevertheless be valid for the purposes herein intended.

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

Each series of bonds shall be in the form set forth in Attachment B attached to and made a part of this Act, and bonds issued substantially in compliance with such form, with appropriate insertions as therein indicated, when properly executed and authenticated as described above, shall be deemed to constitute unconditional general obligations of the County, to the payment of which, in accordance with the terms thereof, its full faith and credit are pledged, and all the covenants and conditions contained in such bonds shall be deemed to be binding upon the County in accordance therewith.

Authority is hereby conferred on the County Executive, or the Chief Administrative Officer, if authorized by the County Executive, to fill the blanks in such form with the required information, to

insert applicable paragraphs as indicated and to make such additions, deletions and substitutions in such form, not inconsistent with this Act, as may be necessary or desirable in the sale of any such series of bonds, including (without limitation) such changes as may be necessary to permit the establishment of a central depository or book-entry system with respect to such series of bonds.

SECTION 6. BE IT FURTHER ENACTED that, for the purpose of paying the interest and redeeming and paying the Consolidated Refunding Bonds, as they respectively mature, the County shall, subject to the limitation on the levy of the real property tax set out in Section 817B of the County Charter, include in the levy in each and every fiscal year during which any of the Consolidated Refunding Bonds are outstanding ad valorem taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the interest on the Consolidated Refunding Bonds payable during such fiscal year and the principal of all of the Consolidated Refunding Bonds maturing in each such fiscal year; and in the event the proceeds for taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied, subject also to this limitation, in succeeding fiscal years to make up such deficiency. The County may apply to the payment of the principal of and interest on the Consolidated Refunding Bonds any funds received by it from the State of Maryland, the United States of America, or any agency or instrumentality of

either, or from any other source, if such funds are granted for the purpose of assisting the County in obtaining public facilities of the class or classes of public facilities for which the Consolidated Public Improvement Bonds refunded with the proceeds of the bonds issued pursuant to this Act, or the respective portions of such bonds, are authorized or may otherwise be lawfully appointed 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.

In the event that interest on any Consolidated Refunding Bond is not payable on a current basis, the Director of Finance shall cause to be prepared and maintained among the permanent records of the County, in each fiscal year in which such interest accrues but is not payable, a certificate which sets forth (i) the aggregate amount of interest on all such Consolidated Refunding Bonds accruing during such fiscal year and (ii) the fiscal year or years in which such interest is payable and the aggregate amount of interest accrued and to accrue on all such Consolidated Refunding Bonds that is payable in such fiscal year or years. All such interest that is payable in any fiscal year shall be included in the levy of the real property tax in such fiscal year in the same manner, subject to the same limitation and in accordance with the solemn covenant set forth in this Section 6.

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

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

SECTION 7. BE IT FURTHER ENACTED that the County Council hereby determines that the Consolidated Refunding Bonds are at present within the debt limit imposed by Section 5(P) of Article 25A of the Annotated Code of Maryland (1990 Replacement Volume), as shown below:

Assessable base of County	\$12,022,223,960
Debt limit - 15% of assessable base	\$ 1,803,333,594
Debt outstanding as of June 30, 1990, not more than (subtracting the amount of Consolidated Refunded Bonds authorized hereby to be refunded):	\$ 246,105,902
Limit on additional debt	\$ 1,557,227,692
Aggregate principal amount of Consolidated Refunding Bonds authorized hereby	\$ 70,000,000
Aggregate principal amount of general obligation bonds authorized by other acts and not issued	\$ 47,628,000
Total principal amount of general obligation bonds authorized and not issued (including the Consolidated Refunding Bonds)	\$ 117,628,000

SECTION 8. BE IT FURTHER ENACTED that, with respect to each series of Consolidated Refunding Bonds sold pursuant to this Act, authority is hereby conferred on the County Executive, or the Chief Administrative Officer, if authorized by the County Executive, to take the following actions and make the following commitments on behalf of the County:

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

existing market conditions;

(b) in the event the County Executive proceeds to sell any series of Consolidated Refunding Bonds at private

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

(c) after considering any recommendations of the financial advisor to the County and subject to the provisions of Section 5 of this Act, to fix and determine the date of any such series of Consolidated Refunding Bonds, the schedule of annual maturities of any such series, the amount of any such series, the amounts and particular bonds of each Consolidated Refunded Series to be refunded with the proceeds of any such series, and the interest rate or rates to be paid by the County with respect to any such series, including without limitation, the schedule, payment dates and accrual, compounding or other method of calculation for the payment of interest with respect to each annual maturity of any such series (e.g. the payment of interest according to the terms of "capital appreciation" bonds);

(d) to determine whether the principal of the bonds of the Consolidated Refunded Series shall be paid at maturity, at

the earliest redemption date pertaining thereto, or at some later redemption date;

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

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

more of such banks or trust companies as Bond Registrars; to select and approve the designation of a custodian for a central depository or book-entry system; and to approve and enter into 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 Consolidated Refunding Bonds in "registered form" within the meaning of Section 30 of Article 31 of the Annotated Code of Maryland, as amended, replaced or recodified from time to time;

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

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

(i) after considering any recommendations of the County's

financial advisor, to reserve to the County the option to redeem any such series of Consolidated Refunding Bonds in whole or in part, at such times and upon payment of such premiums as the County's financial advisor may recommend.

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

SECTION 9. 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 Consolidated Refunding Bonds within the meaning of the "arbitrage regulations" (defined below).

The County Executive, the Chief Administrative Officer and the Director of Finance shall be the officers of the County responsible for the execution and delivery (on the date of issuance of any series of the Consolidated Refunding 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 Consolidated Refunding 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 Consolidated Refunding 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 Consolidated Refunding 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 Consolidated Refunding 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 Consolidated Refunding Bonds are issued pursuant to this Act with the expectation that interest on such Consolidated Refunding 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 Consolidated Refunding 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 Consolidated Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 and the arbitrage regulations. The County further solemnly covenants that it will comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder which are applicable to the Consolidated Refunding Bonds on the date of issuance thereof and which may subsequently lawfully be made applicable thereto as long as the Consolidated Refunding 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 Consolidated Refunding Bonds will not be deemed to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

The County further covenants with each of the registered owners of any of the Consolidated Refunding 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 Consolidated Refunding Bonds or a portion of the Consolidated Refunding 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 Consolidated Refunding Bonds or a portion of such proceeds that would cause the Consolidated Refunding Bonds or a portion of the Consolidated Refunding 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 Consolidated Refunding Bonds are issued pursuant to this Act with the expectation that interest on such Consolidated Refunding 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 Consolidated Refunding Bonds as he or she shall deem advisable in order to assure the registered owners of such Consolidated Refunding 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 Consolidated Refunding 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 Consolidated Refunding 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 terms 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 10. 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 Consolidated Refunding Bonds.

SECTION 11. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 7th day of May, 1991.

COUNTY COUNCIL OF PRINCE
 GEORGE'S COUNTY, MARYLAND

BY: _____
 Richard J. Castaldi
 Chairman

ATTEST:

Maurene W. Epps
Acting Clerk of the Council

APPROVED:

DATE: _____

BY: _____
Parris N. Glendening
County Executive

ATTACHMENT A
LONG-TERM DEBT FINANCIAL PLAN
Prince George's County, Maryland

OVERVIEW

During Fiscal Year 1991, General Fund revenue sources of Prince George's County, Maryland (the "County") are anticipated to be lower than budgeted. This reduction in revenue is a result, for the most part, of a decline in the economy of the County and the region in general. This economic decline is anticipated to continue beyond Fiscal Year 1991. In order to match revenue with expenditures, it is necessary for the County to identify methods to reduce expenditures. This Long-Term Debt Financial Plan will address those expenditures of the General Fund which are associated with the debt service expenditures on existing and future general obligation bonds of the County.

CURRENT DEBT STRUCTURE

Currently the County's debt structure has a repayment schedule that is more rapid than the rating agencies' guidelines for governmental entities comparable to the County.

Although the County's rapid debt repayment schedule is generally viewed as a financial strength by debt credit analysts, it does cause pressure to be placed on current available revenue resources of the County. Accordingly, making adjustments to the County's debt structure to lessen the rapid pace of debt repayment to be comparable to rating agencies' guidelines would reduce debt service expenditures without having a negative effect on the County's credit quality. A reduction in debt service expenditures would add cash flow to offset the current economic decline and resultant reduced revenue.

In addition to placing increased pressure on available revenue resources, the County's rapid debt repayment schedules cause debt service costs to be disproportionate to the effective useful lives of the facilities acquired with the bond proceeds. This causes taxpayers to pay a higher cost for facilities during the earlier years of the facilities' lives than in the later years. From another point of view, future County residents will be assessed little or no taxes for facilities previously acquired due to the current debt structure. Accordingly, adjusting the County's debt structure to reduce the rapid repayment schedule would have the effect of spreading the cost of the facilities acquired over a period of time when the facilities are to be used by County taxpayers.

PROPOSED DEBT STRUCTURE

Adjustments needed to the County's current debt structure are proposed to be accomplished by issuing refunding bonds to prepay the debt service of previously issued bonds. In selecting the bonds to be refunded the following objectives were considered:

1. To increase available resources to offset the current economic decline and related reduced revenue.
2. To adjust the County's debt structure to be comparable to rating agencies' guidelines.
3. To spread debt service costs over periods of time that are proportionate to the use of the acquired facilities.

The refunding bonds will advance refund the debt service on certain portions of the post-TRIM Consolidated Public Improvement Bonds issued between 1981 and 1990 inclusive, excluding mass transit related bonds and the 1990 Series B Minibonds. The portions of the debt service to be advance refunded, of the bonds referenced above, will consist of all of the principal and interest due in Fiscal Year 1992 and portions of the principal and the interest due in Fiscal Years 1993 and 1994.

An analysis of the proposed debt restructuring is presented in the following tables which have been filed with the Clerk of the Council and are incorporated herein by reference:

- Table 1 - Bond Debt Service Refunded and Refunding Components
- Table 2 - Rapidity of Debt Analysis - Graph
- Table 3 - Rapidity of Debt Analysis - Before Restructuring
- Table 4 - Rapidity of Debt Analysis - Restructured
- Table 5 - Summary of Debt Service - All Bond Issues
- Tables 6 thru 13 - Summary of Debt Service - Individual Bond Issues
- Tables 14 thru 21 - Detailed Analysis of Individual Bond Issues

ATTACHMENT B

(Face of Capital Appreciation Registered Bond)

REGISTERED UNITED STATES OF AMERICA REGISTERED
STATE OF MARYLAND

No. R - _____ \$ _____

PRINCE GEORGE'S COUNTY, MARYLAND

CONSOLIDATED PUBLIC IMPROVEMENT BOND

- 19__ REFUNDING SERIES

Interest Rate <u>(per annum)</u>	Maturity Date _____	Original Issue Date _____	CUSIP _____
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Registered Owner:

Initial Accreted Amount: _____ Dollars
(per \$5,000 Accreted Amount at Maturity)

Accreted Amount at Maturity: _____ 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 Accreted Amount at Maturity shown above, constituting the Initial Accreted Amount (stated above per \$5,000 Accreted Amount at Maturity) and interest thereon at the Interest Rate stated above from _____, 19__ compounded on _____ 1, 19__, and semiannually thereafter on each _____ 1 and _____ 1 during the period from _____, 19__ to the Maturity Date, except as the provisions set forth below with respect to redemption of this bond prior to maturity may become applicable hereto. The Accreted Amount at Maturity shall be paid upon presentment and surrender of this bond on the date such principal is payable or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day at the principal corporate trust office of the [Name of Paying Agent] (the "Paying Agent"). If redeemed or otherwise paid prior to maturity, this bond shall be paid in an amount equal to the Accreted Amount (defined herein) of this bond on the date of redemption of payment, plus the applicable premium, if any. The Accreted Amount per \$5,000 Due at Maturity of this bond on each

_____ 1 and _____ 1 is set forth in a table on the reverse hereof.

"Business Day" means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Paying Agent are authorized or obligated by law or required by executive order to remain closed.

All payment of the principal of, redemption price and interest on this bond shall being such coin or currency of the United states of America as at the time of payment is legal tender for payment of public and private debts.

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

The full faith and credit and taxing power of the County are hereby irrevocably pledged to the payment of the principal of this bond and of the interest payable hereon. To provide for the payment of this bond, the County is empowered and directed to levy ad valorem taxes upon all the legally assessable property within the corporate limits of the County; such tax levy is subject, however, to the limitation set forth in Section 817B of the County Charter which provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the county] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and Forty Cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value."

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

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws, County Charter or Authorization Ordinance until the Certificate of Authentication hereon shall have been signed by an authorized officer of the Bond Registrar (defined below).

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

PRINCE GEORGE'S COUNTY, MARYLAND

By _____ [Facsimile Signature]
County Executive

(SEAL)

ATTEST:

[Facsimile Signature]

Date of Authentication and Registration:

This is one of the registered bonds of Prince George's County, Maryland Consolidated Public Improvement Bonds - 19__ Refunding Series, of Prince George's County, Maryland.

[NAME OF BOND REGISTRAR]
[City, State]
as Bond Registrar

By _____
Authorized Officer

(Back of Capital Appreciation Registered Bond)

PRINCE GEORGE'S COUNTY, MARYLAND

CONSOLIDATED PUBLIC IMPROVEMENT BOND -

19__ REFUNDING SERIES

This bond is one of a duly authorized issue of general obligation bonds of the County, designated "Prince George's County, Maryland Consolidated Public Improvement Bonds - 19__ Refunding Series", all dated _____, _____ and all of like tenor and effect, except as to numbers, interest rates, denominations, maturities and option of redemption. Said bonds are issued under the authority of Section 24 of Article 31 of the Annotated Code of Maryland (1990 Replacement Volume), the Charter of Prince George's County, Maryland (the "County Charter") and Chapter ___ of the Laws of Prince George's County, Maryland, of 19__, enacted by the County Council on _____, 19__, approved by the County Executive on _____, 19__ and effective _____, 19__ (the "Authorization Ordinance") and certain other authority pursuant to which the bonds being refunded by this series of bonds were issued.

The bonds of this series consist of [current interest bonds and] capital appreciation bonds. The [capital appreciation] bonds are issued with Accreted Amounts at maturity of \$5,000 and integral multiples thereof, not exceeding the aggregate Accreted Amount at maturity maturing in such year.

When first issued, the bonds of said issue were numbered consecutively upward in the order of their maturities, but not necessarily continuously consecutively, from No. 1 prefixed by the letter "R".

The capital appreciation bonds mature as follows: on _____, 19__ in the aggregate Accreted Amount at maturity of \$ _____.

The County has appointed [Name of Bond Registrar, City, State], as Bond Registrar to open books for the registration and for the transfer of registered bonds (the "Bond Registrar"). This bond will be transferable only upon the Bond Register kept at the principal corporate trust office of the Bond Registrar, 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 for bonds having an equal aggregate Accreted Amount at maturity of this bond, of the same series and maturity, and bearing interest at the same rate, of

other authorized Accreted Amounts at maturity, at the principal corporate trust 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 Accreted Amounts at maturity, with an aggregate Accreted Amount at maturity equal to the Accreted Amount at maturity 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 officer 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]

The capital appreciation bonds maturing on or after _____, ___, are subject to redemption prior to their respective maturities at the option of the County on or after _____, _____, either as a whole at any time, or in part on any interest payment date in the inverse order of their maturities, at the following redemption prices expressed as percentages of the Accreted Amounts of the capital appreciation bonds or portions of capital appreciation bonds redeemed:

<u>Periods During Which Redeemed</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
_____, ____ to _____, ____	_____ %
_____, ____ to _____, ____	_____
_____, ____ to _____, ____	_____
_____, ____ to _____, ____	_____
On or after _____, ____	_____

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 by the Bond Registrar in such manner as, in its discretion, it shall determine.

When less than all of a registered capital appreciation bond in an Accreted Amount at maturity in excess of \$5,000 shall be so redeemed, then, upon the surrender of such bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the Accreted Amount at maturity of such bond, at the option of such owner, registered bonds in any of the authorized denominations, the aggregate Accreted Amount at maturity of such bonds not to exceed the unredeemed Accreted Amount at maturity 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 redemption date, at the addresses of such owners appearing on the Bond Register kept by the Bond Registrar; provided, however, that the failure to mail such notice or any defect in the notice so mailed, or in the mailing thereof shall not affect the validity of the redemption proceedings, and the County shall publish such notice of redemption at least thirty (30) days prior to the redemption date in a financial trade journal or daily newspaper of general circulation in the Borough of Manhattan, New York. Said notice shall state whether said bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the bonds to be redeemed, shall state the redemption date and redemption price, shall 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 cancelled.

[End of Redemption Provisions]

Accreted Amount of Capital Appreciation Bonds

Date	Accreted Amount	Date	Accreted Amount
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(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, bond counsel, Piper & Marbury of Baltimore, Maryland, rendered an opinion to the County approving the legality of the bonds. The complete text of the opinion is as follows:

[Insert text of approving legal opinion]

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.

Facsimile Signature
County Executive

(Form of Assignment)

ASSIGNMENT

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

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

(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: _____

Signature Guaranteed:

(Signature of Registered Owner)

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

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

[END OF FORM OF CAPITAL APPRECIATION BOND]

(Face of Current Interest Registered Bond)

REGISTERED UNITED STATES OF AMERICA REGISTERED
STATE OF MARYLAND

No. R - _____ \$ _____

PRINCE GEORGE'S COUNTY, MARYLAND

CONSOLIDATED PUBLIC IMPROVEMENT BOND

- 19__ 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 Business Day (hereinafter defined) then on the next succeeding Business Day at the principal corporate trust office of the [Name of Paying Agent] (the "Paying Agent"). The interest payable on this bond, and punctually paid or duly provided for on any interest payment date, will be paid semi-annually 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 check mailed on [the Business Day immediately preceding] the date such interest is payable 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 whereof being

given by letter mailed first class, postage prepaid, to said person not less than 30 days prior to such Special Record Date, at the address of such person 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.

"Business Day" means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Paying Agent are authorized or obligated by law or required by executive order to remain closed.

All payment of the principal of, redemption price and interest on this bond shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts subject to the provision for payment of interest by check set forth above.

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

The full faith and credit and taxing power of the County are hereby irrevocably pledged to the payment of the principal of this bond and of the interest payable hereon. To provide for the payment of this bond, the County is empowered and directed to levy ad valorem taxes upon all the legally assessable property within the corporate limits of the County; such tax levy is subject, however, to the limitation set forth in Section 817B of the County Charter which provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the County] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and Forty Cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value."

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

years to make up such deficiency.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened, and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the County Charter and 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 said County.

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws, County Charter or Authorization Ordinance until the Certificate of Authentication hereon shall have been signed by an authorized officer of the Bond Registrar.

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

PRINCE GEORGE'S COUNTY, MARYLAND

By _____ [Facsimile Signature]
County Executive

(SEAL)

ATTEST:

[Facsimile Signature]
Clerk of the County Council

Date of Authentication and Registration:

This is one of the registered bonds of Prince George's County, Maryland Consolidated Public Improvement Bonds - 19__ Refunding Series, of Prince George's County, Maryland.

[NAME OF BOND REGISTRAR]
[City, State]
as Bond Registrar

By _____

Authorized Officer

(Back of Current Interest Registered Bond)

PRINCE GEORGE'S COUNTY, MARYLAND

CONSOLIDATED PUBLIC IMPROVEMENT BOND -

19__ REFUNDING SERIES

This bond is one of a duly authorized issue of general obligation bonds of the County, designated "Prince George's County, Maryland Consolidated Public Improvement Bonds - 19__ Refunding Series", all dated _____, _____ and all of like tenor and effect, except as to numbers, interest rates, denominations, maturities and option of redemption. Said bonds are issued under the authority of Section 24 of Article 31 of the Annotated Code of Maryland (1990 Replacement Volume), the Charter of Prince George's County, Maryland (the "County Charter") and Chapter __ of the Laws of Prince George's County, Maryland, of 1986, enacted by the County Council on _____, 19__, approved by the County Executive on _____, 19__ and effective _____, 19__ (the "Authorization Ordinance") and certain other authority pursuant to which the bonds being refunded by this series of bonds were issued.

[The bonds of this series consist of current interest bonds and capital appreciation bonds.]

The [current interest] bonds maturing in any one year are issuable in fully registered form, in denominations of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount maturing in such year.

When first issued, the bonds of said issue were numbered consecutively upward in the order of their maturities, but not necessarily continuously consecutively, from No. 1 prefixed by the letter "R".

Said [current interest] bonds bear interest at the following rates per annum, mature and are payable on _____ 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>
	\$	%		\$	%

The County has appointed [Name of Bond Registrar, City, State], 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 principal corporate trust office of the Bond Registrar, 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 principal corporate trust 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 officer 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]
 The [current interest] bonds maturing on or after _____, _____ are subject to redemption prior to their respective maturities at the option of the County on or after _____, _____, either as a whole at any time, or in part on any interest payment date in the inverse order of their maturities, at the following redemption prices expressed as percentages of the principal amount of bonds to be redeemed plus accrued interest thereon to the date fixed for redemption:

Periods During Which Redeemed (both dates inclusive)	Redemption Price
_____, ____ to _____, ____	_____ %
_____, ____ to _____, ____	_____
_____, ____ to _____, ____	_____
_____, ____ to _____, ____	_____
_____, ____ to _____, ____	_____
On or after _____, ____	_____

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 by the Bond Registrar in such manner as, in its discretion, it shall determine.

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 shall 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 redemption date, at the addresses of such owners appearing on the Bond Register kept by the Bond Registrar; provided, however, that the failure to mail such notice or any defect in the notice so mailed, or in the mailing thereof shall not affect the validity of the redemption proceedings, and the County shall publish such notice of redemption at least thirty (30) days prior to the redemption date in a financial trade journal or daily newspaper of general circulation in the Borough of Manhattan, New York, New York. Said notice shall state whether said bonds are deemed in whole or in part and, if in part, the maturities and numbers of the bonds to be redeemed, shall state the redemption date and redemption price, shall 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 presentation 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 cancelled.

[End of Redemption Provisions]

(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, bond counsel, Piper & Marbury of Baltimore, Maryland, rendered an opinion to the County approving the legality of the bonds. The complete text of the opinion is as follows:

[Insert text of approving legal opinion]

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.

[Facsimile Signature]

County Executive

(Form of Assignment)

ASSIGNMENT

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

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

(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: _____

Signature Guaranteed:

(Signature of Registered Owner)

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

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

[END OF FORM OF CURRENT INTEREST BOND]