

ORDINANCE

OF THE COUNCIL OF THE CITY OF BOWIE, MARYLAND
AUTHORIZING AND EMPOWERING THE CITY OF BOWIE (THE “CITY”) TO ISSUE
AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, GENERAL
OBLIGATION BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED NINETEEN MILLION DOLLARS (\$19,000,000), THE
PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC
PURPOSES OF FINANCING, REIMBURSING OR REFINANCING ALL OR ANY
PORTION OF ONE OR MORE OF THE FOLLOWING: THE COSTS OF ACQUIRING,
CONSTRUCTING, IMPROVING, FURNISHING AND EQUIPPING A NEW CITY HALL,
TOGETHER WITH COSTS OF RELATED SITE AND UTILITY IMPROVEMENTS
(INCLUDING PARKING AND LANDSCAPING), RELATED LEGAL, FINANCIAL AND
INSPECTION EXPENSES, COSTS OF ISSUANCE AND, TO THE EXTENT
DETERMINED BY THE COUNCIL IN A SUBSEQUENT RESOLUTION, INTEREST ON
THE BONDS; DETERMINING THAT THE BONDS OF EACH SERIES BE SOLD BY THE
SOLICITATION OF COMPETITIVE BIDS AT PUBLIC SALE; AUTHORIZING THE
ADOPTION OF A RESOLUTION OR RESOLUTIONS OF THE COUNCIL TO
DETERMINE AND PROVIDE FOR VARIOUS MATTERS RELATING TO THE
AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND
REDEMPTION OF THE BONDS OF EACH SERIES; AUTHORIZING THE COUNCIL
TO PROVIDE BY RESOLUTION FOR THE ISSUANCE AND SALE FROM TIME TO
TIME OF ONE OR MORE SERIES OF GENERAL OBLIGATION BOND
ANTICIPATION NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
NINETEEN MILLION DOLLARS (\$19,000,000), PRIOR TO AND IN ANTICIPATION OF
THE SALE OF ANY OF THE BONDS AUTHORIZED HEREBY IN ORDER TO FUND
PROJECT COSTS ON AN INTERIM BASIS (INCLUDING COSTS OF ISSUANCE AND
CAPITALIZED INTEREST); PROVIDING FOR THE LEVY AND COLLECTION OF AD
VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE FULL FAITH AND
CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO, THE PROMPT
PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE BOND
ANTICIPATION NOTES AUTHORIZED HEREBY; PROVIDING THAT THE
PRINCIPAL OF AND INTEREST ON SUCH OBLIGATIONS ALSO MAY BE PAID
FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE
CITY FOR SUCH PURPOSE; PROVIDING THAT ANY SERIES OF THE BONDS OR
BOND ANTICIPATION NOTES AUTHORIZED HEREBY MAY BE CONSOLIDATED
WITH ANY BONDS OR BOND ANTICIPATION NOTES RESPECTIVELY AUTHORIZED
BY ONE OR MORE OTHER ORDINANCES OF THE COUNCIL AND ISSUED AS A
SINGLE SERIES OF BONDS OR BOND ANTICIPATION NOTES, AS APPLICABLE;
AUTHORIZING AND DIRECTING OFFICIALS AND EMPLOYEES OF THE CITY TO
TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE SALE,
ISSUANCE AND DELIVERY OF THE BONDS AND THE BOND ANTICIPATION NOTES
OF EACH SERIES PROVIDED FOR HEREBY; MAKING CERTAIN COVENANTS AND
DETERMINATIONS RELATING TO THE TAX-EXEMPT STATUS OF ANY SERIES OF
BONDS OR BOND ANTICIPATION NOTES AUTHORIZED HEREBY; PROVIDING
THAT THIS TITLE BE DEEMED A SUMMARY OF THIS ORDINANCE FOR ALL
PURPOSES; AND OTHERWISE GENERALLY RELATING TO THE SALE, ISSUANCE,
DELIVERY AND PAYMENT OF AND FOR THE BONDS AND THE BOND
ANTICIPATION NOTES AUTHORIZED HEREBY.

WHEREAS, The City of Bowie, a municipal corporation of the State of Maryland (the “City”), is authorized and empowered by Sections 31 to 37, inclusive, of Article 23A of

the Annotated Code of Maryland, as replaced, supplemented or amended (the “Enabling Act”), and Sections 58 and 59 of the Charter of the City of Bowie, as published in Municipal Charters of Maryland, Volume 1, 2008 Replacement Edition, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds; and

WHEREAS, the City has determined to undertake the acquisition, construction, improvement, furnishing and equipping of a new City Hall and, in connection therewith, to borrow money to finance, reimburse or refinance costs of components of such undertaking, together with costs of related site and utility improvements (including, without limitation, parking and landscaping), related legal, financial and inspection expenses, related costs of issuance and, to the extent provided by the Council of the City in a subsequent resolution, capitalized interest, and to evidence this borrowing by the issuance and sale of its general obligation bonds in one or more series from time to time; and

WHEREAS, the City has determined that, as authorized by the Enabling Act and the Charter, the bonds of each series authorized hereby shall be sold by the solicitation of competitive bids at public sale; and

WHEREAS, prior to issuing any such bonds, the City may need to obtain interim financing in order to finance project costs on a timely basis through the issuance of one or more series of its general obligation bond anticipation notes pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland, as replaced, as supplemented or amended (the “Bond Anticipation Note Enabling Act”), and the Charter.

Section 1. NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Council of the City of Bowie, Maryland, that pursuant to the authority of Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Enabling Act”), and Sections 58 and 59 of the Charter of City of Bowie, as published in Municipal Charters of Maryland, Volume 1, 2008 Replacement Edition, as replaced, supplemented or amended (the “Charter”), The City of Bowie (the “City”) is hereby authorized and empowered to borrow money and incur indebtedness for the public purposes described in Section 2 hereof, in an aggregate principal amount not to exceed Nineteen Million Dollars (\$19,000,000), and to evidence such borrowing by the issuance and sale from time to time, upon its full faith and credit, of general obligation bonds in one or more series in an aggregate principal amount not to exceed Nineteen Million Dollars (\$19,000,000) (collectively, the “Bonds”). While it is the current intention of the City to issue the Bonds authorized hereby as a single series, the authority to issue the Bonds in one or more series is provided for in this Ordinance in the event market conditions or other factors dictate, and the financial advisor to the City and bond counsel recommend, that the Bonds be issued in more than one series from time to time as the Council of the City shall provide by resolution. Each such series of the Bonds shall be known as “Public Improvement Bonds” and shall have such further designation by series and/or year as the Council shall provide for by resolution. Such borrowing and such issuance and sale of the Bonds may be effected at any time after this Ordinance becomes effective.

Section 2. **BE IT FURTHER ORDAINED** that (a) the proceeds of the sale of each series of the Bonds shall be applied for the public purpose of financing, reimbursing or refinancing all or any portion of one or more of the following: the costs of acquiring, constructing, improving, furnishing and equipping a new City Hall, together with costs of related site and utility improvements (including, without limitation, parking and landscaping), related legal, financial and inspection expenses, related costs of issuance, and, to the extent the Council so provides by resolution with respect to any series of the Bonds, capitalized interest during construction and for a reasonable period thereafter (collectively, the “Project”).

(b) In the event the City issues any BANs (as defined in Section 15 below), proceeds of the Bonds may also be applied to prepay or pay, principal, premium and/or interest on such BANs, and any such expenditure shall be considered an expenditure for Project purposes.

Section 3. **BE IT FURTHER ORDAINED** that the Bonds of each series shall mature, subject to such terms of prior optional and/or mandatory sinking fund redemption as the Council may authorize by resolution, in such serial and/or term installments as may be provided for in the applicable official Notice of Sale therefor referred to in Section 10 hereof, but no installment shall mature later than 20 years from the date on which the Bonds of such series are issued.

Section 4. **BE IT FURTHER ORDAINED** that (a) if the successful bidder for the Bonds of any series designates any two or more sequential annual principal amounts of the Bonds of such series as mandatory sinking fund payments for a term bond (a “Term

Bond”) in accordance with the applicable resolution and official Notice of Sale provided for in Section 10 hereof, such Term Bond shall be subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount thereof on such dates and in such principal amounts, plus accrued interest to the date fixed for redemption.

(b) If fewer than all of the outstanding Bonds of any series shall be called for optional redemption in accordance with a resolution of the Council, the City shall choose the maturities or portions thereof to be redeemed and the principal amount of each such maturity in its sole discretion. If less than all of the Bonds of any one maturity of a series shall be called for optional or mandatory sinking fund redemption, the particular Bonds or portions of Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar and Paying Agent (identified in Section 11 hereof); provided that, so long as all of the Bonds of a series are registered in the name of a Securities Depository (as defined in Section 5 hereof) or its nominee, such selection shall be made by such Securities Depository in accordance with its rules and regulations.

(c) When less than all of a Bond in a denomination in excess of \$5,000 is redeemed, then, upon surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds of the same series in any of the authorized denominations specified by the registered owner. The aggregate face amount of Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall be of the same series, shall bear interest at the

same rate and shall mature on the same date as the unredeemed balance of the Bond surrendered.

(d) When the Bonds of any series are to be redeemed (whether by optional or mandatory sinking fund redemption), the City shall cause a redemption notice to be given to the registered owners of the Bonds (or portions thereof) to be redeemed by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books for such series kept by the Bond Registrar and Paying Agent; provided, however, that the failure to mail a redemption notice or any defect in a notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the applicable Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers, principal amounts, interest rates and CUSIP numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds (or portions thereof) to be redeemed shall cease to accrue on the date fixed for redemption, (iii) the date fixed for redemption, (iv) the address of the office of the Bond Registrar and Paying Agent with a contact person and phone number, and (v) that the Bonds or portions thereof to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the designated corporate trust office of the Bond Registrar and Paying Agent. Such notice may state that it is conditioned upon receipt of sufficient funds to effect such redemption by the date fixed for redemption. Notwithstanding anything to the contrary contained in this subsection (d), so long as the Bonds to be redeemed are registered in book-entry only form with a Securities Depository, any redemption notice

shall be given in the manner and at the time required by the rules and regulations of such Securities Depository.

(e) From and after the date fixed for redemption, if funds sufficient for the payment of the redemption price and accrued interest are available on such date, any Bonds or portions thereof designated for redemption shall cease to bear interest from and after such date. Upon presentation and surrender for redemption, the Bonds or portions thereof to be redeemed shall be paid by the Bond Registrar and Paying Agent at the redemption price, plus accrued interest to the date fixed for redemption. If they are not paid upon presentation, the Bonds or portions thereof designated for redemption shall continue to bear interest at the rate or rates stated therein until paid.

Section 5. **BE IT FURTHER ORDAINED** that (a) the Bonds of each series shall be dated as of July 1, 2009, or such other date as may be prescribed by resolution of the Council, shall be in denominations of \$5,000 or any integral multiple thereof, shall be numbered from one (1) consecutively upwards in the order of their maturities, and each such number shall be prefixed by the letter "R". The Bond Registrar and Paying Agent may make such additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate, including, without limitation, to distinguish among separate series of the Bonds. Unless otherwise determined by the Council by resolution with respect to a particular series of the Bonds, each series of the Bonds shall be issued initially in book-entry only form as fully-registered bonds, without coupons attached, by issuing a single bond for each maturity registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company, New York New York, or its successor

(“DTC”); provided that, if DTC so requests, or a system of book-entry only registration of the Bonds of any series is discontinued, replacement bonds shall be issued in denominations of \$5,000 and integral multiples thereof and shall be consecutively numbered in such manner as shall be determined by the Bond Registrar and Paying Agent.

(b) The principal or redemption price of the Bonds shall be payable at the office designated by the Bond Registrar and Paying Agent. Interest on the Bonds shall be payable by check or draft of the Bond Registrar and Paying Agent mailed to the owners thereof; provided that, so long as the Bonds are registered in book-entry form under a book-entry only system maintained by DTC, any successor thereto or any replacement securities depository (the “Securities Depository”), payments of the principal or redemption price of and interest on the Bonds shall be made as required by the rules and regulations of such Securities Depository.

Section 6. **BE IT FURTHER ORDAINED** that (a) the Bonds of each series authorized by this Ordinance shall bear interest at the interest rate or rates fixed at the time of the awarding of the Bonds of such series at public sale in accordance with the applicable official Notice of Sale and provisions of this Ordinance as hereinafter provided. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date, or unless authenticated prior to the first interest payment date, in which event it will bear interest from the date of the Bonds of such series; provided, however, that if at the time of authentication of any Bond interest is in default, the Bonds of such series shall bear

interest from the date to which interest has been paid. The interest on all Bonds shall be paid semi-annually on the first days of January and July of each year in which any Bonds may be outstanding, or on such other dates as may be provided for any series of the Bonds by resolution of the Council. Interest shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(b) Interest payments due on the Bonds of each series shall be made to the registered owners thereof who are the registered owners of record as of the 15th day of the month preceding the month in which an interest payment date occurs or such other date as may be provided for any series of the Bonds by resolution of the Council (the “Regular Record Date”). Any such interest not so 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 a bond is registered as of the close of business on a special record date to be fixed by the Bond Registrar and Paying Agent for the payment of such defaulted interest (the “Special Record Date”), notice whereof being given by letter mailed first class, postage prepaid, to the registered owner not less than ten (10) days prior to such Special Record Date, at the address of such registered owner appearing on the registration books maintained by the Bond Registrar and Paying Agent for the applicable series of the Bonds. If a principal payment date or interest payment date falls on a Saturday, Sunday or a day on which the City or the Bond Registrar and Paying Agent is not required to be open, payment may be made on the next succeeding day that is not a Saturday, Sunday or a day on which the City or the Bond Registrar and

Paying Agent is not required to be open, and no interest shall accrue for the intervening period.

Section 7. **BE IT FURTHER ORDAINED** that (a) the Bonds of each series shall be transferable only upon the registration books for such series kept at the designated corporate trust office of the Bond Registrar and Paying Agent and by the registered owner in person, or by his duly authorized attorney in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and Paying Agent and duly executed by the registered owner thereof in person, or by his attorney duly authorized in writing, but to the extent a series of the Bonds is registered in book-entry only form with the Securities Depository, no such Bond will be transferred unless the Security Depository then in place determines to discontinue providing its services as a securities depository or directs that the Bonds of such series be re-registered in a different name or denomination, or unless the Securities Depository then in place is removed.

(b) A Bond may be transferred or exchanged at the designated corporate trust office of the Bond Registrar and Paying Agent. Upon any such transfer or exchange, the City shall issue, and the Bond Registrar and Paying Agent shall authenticate and deliver, a new registered Bond or Bonds in authorized denomination or denominations equal to the aggregate principal amount of the Bond transferred or exchanged, of the same series, with the same maturity date and bearing interest at the same rate. In each case, the Bond Registrar and Paying Agent may require payment by the registered owner requesting such transfer or exchange of any tax, fee or other governmental charge, shipping charges or

insurance that may be required to be paid with respect to such transfer or exchange, but otherwise no charge shall be made to the registered owner for such transfer or exchange.

(c) The Bond Registrar and Paying Agent shall not be required to transfer or exchange any Bond after the mailing or giving of notice of call of such Bond or portion thereof for redemption.

Section 8. BE IT FURTHER ORDAINED that unless the Council determines otherwise by resolution with respect to a particular series of the Bonds, the Bonds of each series shall be executed in the name of the City and on its behalf by the Mayor of the City, by manual or facsimile signature. The corporate seal of the City shall be affixed to the Bonds (manually or by facsimile) and attested by the signature of the City Clerk, by manual or facsimile signature. The Bonds of each series shall be issued subject to registration as to principal and interest in the name of the owner or owners thereof on the books kept for registration and registration of transfer of the Bonds of such series at the designated corporate trust office of the Bond Registrar and Paying Agent. The Bonds of each series shall be authenticated by the manual signature of an authorized officer of the Bond Registrar and Paying Agent. The Bonds of any series shall not be valid for any purpose or constitute an obligation of the City unless so authenticated. In the event any official of the City whose signature appears on the Bonds of a series shall cease to be such official prior to the delivery of the Bonds of such series, or, in the event any such official whose signature appears on the Bonds of a series shall have become such after the date of issue thereof, the Bonds of such series shall nevertheless be a valid and binding obligation of the City in accordance with their terms.

Section 9. **BE IT FURTHER ORDAINED** that except as provided hereinafter or in a resolution of the Council adopted prior to the issuance of the Bonds of any series, the Bonds of each series shall be issued in substantially the form attached hereto as Exhibit A and incorporated by reference herein. Appropriate variations and insertions may be made by the City Manager to provide designations, dates, numbers and amounts, and modifications not altering the substance of the Bonds to carry into effect the purposes of this Ordinance, including (without limitation) to reflect matters determined by any resolution provided for herein or upon the sale of the Bonds of such series, to comply with recommendations of legal counsel, or as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating of the Bonds of such series from such rating agency, or as may be required by any provider of municipal bond insurance selected by the successful bidder for the Bonds of such series in accordance with the official Notice of Sale therefor. All of the covenants contained in the following form are hereby adopted by the City as and for the form of obligations to be incurred by the City, and the covenants and conditions contained therein are hereby made binding upon the City, including the promise to pay therein contained. The execution and delivery of the Bonds of any series by the appropriate authorized official in accordance with this Ordinance shall be conclusive evidence of the approval by the City Manager of the form of the Bonds of such series and any variations, insertions, omissions, notations, legends or endorsements authorized by this Ordinance.

Section 10. **BE IT FURTHER ORDAINED** that (a) the City has determined that it shall be in the best interests of the City to sell the Bonds of each series at public

sale after the solicitation of competitive bids. The Bonds of each series shall be offered for sale subject to the terms and conditions of this Ordinance and of a resolution adopted by the Council pursuant hereto, in accordance with an official Notice of Sale. The City Manager shall give public notice of the sale of each series of the Bonds by publishing the official Notice of Sale therefor at least once in either a newspaper of general circulation in Prince George's County or a publication having a circulation primarily among the investment and financial community, the first publication to be made at least 10 days before the date fixed for sale of such series of the Bonds. The City Manager may give such other notice of the sale with respect to the Bonds of any series, in full or summary form, within or without the State of Maryland, as he may deem proper. The City Manager may provide for the preparation of a form of proposal to be used for any series of the Bonds.

(b) The published official Notice of Sale for each series of the Bonds shall be in substantially the form attached hereto as Exhibit B and incorporated by reference herein, subject to the addition, modification or deletion of any terms describing any option of prior redemption or of any other term which the Council may authorize pursuant to this Ordinance (including by resolution as contemplated herein), and the terms and conditions stated in the Notice of Sale attached hereto as Exhibit B are hereby adopted and approved as the terms and conditions under which and the manner in which the Bonds of each series shall be sold, issued and delivered at public sale, subject to such authorized additions, modifications and deletions. Appropriate variations and insertions may be made to provide dates, numbers, amounts, and other matters not substantially

affecting the City's promises or covenants, and to reflect matters determined by the Council by resolution as authorized herein. By resolution, the Council may authorize the City Manager to make such additional changes, alterations, additions or deletions to any form of official Notice of Sale provided for by such resolution as he may deem advisable based on the advice of the City's financial advisor and bond counsel due to financial or market conditions prevailing at the time. Once the Notice of Sale has been completed and published for any series of the Bonds, it shall constitute the official Notice of Sale with respect to such series.

(c) The City Manager, on behalf of the City, is hereby further authorized and empowered to make any determinations or to take any actions provided for in this Ordinance, the resolution or the official Notice of Sale with respect to any series of Bonds subsequent to the date of publication such official Notice of Sale including, without limitation, modifying the bid specifications for the Bonds based on the recommendation of the City's financial advisor to reflect then-current municipal market conditions, or providing for notification of the postponement or rescheduling of the date of sale for the Bonds of such series.

(d) The City Manager, on behalf of the City, with the advice of the City's financial advisor, is hereby authorized to postpone and reschedule the date of sale for any series of the Bonds in accordance with the official Notice of Sale therefor provided for herein and in accordance with applicable provisions of the Enabling Act, the Charter, this Ordinance and any applicable resolution pertaining to the Bonds of such series.

(e) The Mayor, on behalf of the City, shall conduct the sale and shall sell the Bonds of each series in the name of the City and on its behalf to the bidder who names the lowest true interest cost therefor, for cash at no less than par and no more than 110% of par (or such lesser percentage of par as may be provided for in the resolution pertaining to such series of the Bonds), subject to the terms contained in the official Notice of Sale for such Bonds and modifications to the bid specifications therefor authorized in this Section 10, and whose bid is determined to be the best responsible bid received in compliance with the terms and conditions of the official Notice of Sale for such series. The sale of the Bonds of any series, if made, shall be made upon order of award signed by the Mayor. The Mayor, with the advice of the City's financial advisor, shall have the right to reject all bids for the Bonds.

(f) No re-publication of the official Notice of Sale for any series of the Bonds shall be required if the original date of sale is postponed or rescheduled from time to time and/or if any modifications or amendments are made to the provisions of such official Notice of Sale in accordance with the provisions of this Ordinance and the resolution pertaining to such series of the Bonds if such changes are disseminated as provided in such official Notice of Sale.

Section 11. **BE IT FURTHER ORDAINED** that, unless provided otherwise by the Council by resolution with respect to any series of the Bonds, (a) Manufacturers and Traders Trust Company, with offices in Baltimore, Maryland and Buffalo, New York, or any successor thereof, by merger, consolidation, or otherwise, is hereby designated as Bond Registrar and Paying Agent (the "Bond Registrar and Paying Agent")

for the Bonds. The City Manager is hereby authorized to negotiate and to execute and deliver such written agreement with the Bond Registrar and Paying Agent as he shall deem to be necessary or appropriate. The City may designate another entity as Bond Registrar and Paying Agent for any series of the Bonds upon 30 days prior written notice to the registered owners of the Bonds of such series. In the event different Bond Registrar and Paying Agents are designated with respect to separate series of the Bonds, references in this Ordinance to the Bond Registrar and Paying Agent shall be deemed to be to the Bond Registrar and Paying Agent so designated with respect to each series of the Bonds, as applicable.

(b) Prior to each semi-annual interest payment date, the Director of Finance or other appropriate City official shall deposit with the Bond Registrar and Paying Agent, from the tax proceeds described in Section 16 below and from any other funds then legally available for such purpose, the amounts needed to pay the principal of and interest on the Bonds coming due on each such interest payment date. All moneys so deposited with the Bond Registrar and Paying Agent shall be deemed and treated by the Bond Registrar and Paying Agent as trust funds for the use and benefit of the registered owners from time to time of the Bonds hereby authorized. Any such trust funds held by the Bond Registrar and Paying Agent for the payment of particular Bonds for periods of more than three years from their maturities or such other periods as may be required by applicable law, because of the failure of the registered owners of such Bonds to present them for payment or because checks issued by the Bond Registrar and Paying Agent in payment of interest shall not have been cashed and no registered owner of a Bond shall

have established a right to payment of interest within such period, shall be returned by the Bond Registrar and Paying Agent to the City and, thereafter, the registered owners of any such Bonds shall have claims only against the City for payment of the obligations held by them, and the Bond Registrar and Paying Agent shall be relieved of the trust hereby imposed.

Section 12. **BE IT FURTHER ORDAINED** that the Mayor and the City Manager shall approve, execute and deliver in the name and on behalf of the City a continuing disclosure undertaking for the benefit of the owners and beneficial owners of the Bonds of each series in order to assist the bidders for the Bonds of such series in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The City shall covenant in each continuing disclosure undertaking that the City will provide to the Municipal Securities Rulemaking Board annual financial information and operating data and annual audited financial statements as required by Rule 15c2-12. The City shall further covenant in each continuing disclosure undertaking to provide notice of specified significant events, if material, to the Municipal Securities Rulemaking Board. Any continuing disclosure undertaking may provide that the place or places of delivery of such information shall be subject to change in accordance with the rules and pronouncements of the Securities and Exchange Commission or other appropriate authority and shall otherwise contain such provisions as are required or permitted by Rule 15c2-12.

Section 13. **BE IT FURTHER ORDAINED** that as soon as may be practicable after the sale hereinabove provided for with respect to each series of the Bonds has been

held, the Bonds of such series shall be suitably prepared in definitive form, executed and delivered to the successful bidder therefor upon receipt of the purchase price therefor, plus accrued interest thereon to the date of delivery, if applicable, less any good faith deposit accompanying the successful bid. The Mayor, the City Manager, the Assistant City Manager, the Director of Finance, the Assistant Director of Finance, the City Clerk and all other appropriate officials and employees of the City, as applicable, are expressly authorized, empowered and directed to take any and all action necessary to complete and close the award, sale and delivery of the Bonds of each series to the successful bidder therefor and to negotiate, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith, including, without limitation, executing and delivering any agreements required by DTC or any other Securities Depository with respect to the book-entry system of registration of the Bonds of any series or any documents relating to municipal bond insurance to be provided with respect to the Bonds of any series as identified by the successful bidder for such series of Bonds.

Section 14. BE IT FURTHER ORDAINED that the Director of Finance or any other appropriate municipal official is each hereby designated and authorized to receive payment on behalf of the City of the proceeds of the sale of the Bonds of each series and to invest such proceeds. The proceeds of the Bonds of each series are hereby appropriated for the purposes of the Project and shall be deposited in the proper account or accounts of the City, shall be invested within the limits prescribed by Maryland and federal law, and shall be used and applied exclusively for the purposes described herein. There shall be deducted from the gross proceeds received from the sale of the Bonds the amount, if any, paid as

premium, and the amount paid on account of accrued interest, which amounts shall be set apart in a separate fund and applied to interest on the Bonds, unless the Council provides otherwise by resolution with respect to a series of the Bonds. If the proceeds received from the sale of the Bonds of any series exceed the amount needed for the public purposes of the issue, the amount of such unexpended excess shall be set apart in a separate fund and applied to the payment of the next principal installment on the Bonds of such series, unless the Council shall enact an ordinance allocating such funds to some other public capital improvement project or projects of the City. Nothing in this Ordinance shall be construed to authorize the expenditure of any moneys except for a proper public purpose.

Section 15. **BE IT FURTHER ORDAINED** that pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Bond Anticipation Note Enabling Act”), the Enabling Act and the Charter, the City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation bond anticipation notes in one or more series from time to time in an aggregate principal amount not to exceed Nineteen Million Dollars (\$19,000,000) (collectively, the “BANs”), prior to and in anticipation of the sale of the Bonds of any series, for the public purpose of financing or reimbursing costs of the Project on an interim basis, paying costs and expenses in connection with the issuance, sale and delivery of such BANs, and, to the extent determined by the Council in a subsequent resolution, paying interest on such BANs. Any such series of the BANs may consist of one or more notes and any note may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the BANs, the Council shall adopt a resolution

pursuant to the authority of the Bond Anticipation Note Enabling Act, the Enabling Act, the Charter and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining, providing for or approving such matters, details, forms, documents or procedures as may be authorized or required by applicable law. Each series of the BANs shall be sold by private negotiation, without advertisement or publication of notice of sale or solicitation of competitive bids, due to the ability to time the market, negotiate with potential purchasers and thereby achieve a beneficial interest rate or rates and other beneficial terms by undertaking a private (negotiated) sale and in accordance with such additional terms and conditions as shall be determined by the Council by resolution. Unless the Council determines otherwise in a resolution providing for any series of the BANs, each series of the BANs shall be sold for a price of par, and any series of the BANs may be subject to redemption prior to maturity as provided in such resolution.

Section 16. **BE IT FURTHER ORDAINED** that (a) the full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the prompt payment of the principal of and interest on the Bonds of each series and any series of the BANs (each, a series of the “Obligations”) as and when the same are payable and to the levy and collection of the taxes hereinbelow described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of such series of the Obligations. The City shall levy or cause to be levied, for each and every fiscal year during which each such series of the Obligations may be outstanding, ad valorem taxes upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the payment,

when due, of the principal of and interest on such series of the Obligations payable in each such fiscal year and, in the event the proceeds from the collection of the taxes so levied may prove inadequate for such purposes in any fiscal year, additional taxes shall be levied in the subsequent fiscal year to make up any deficiency. The City hereby covenants with the registered owner of each Obligation to take any action that may be appropriate from time to time during the period that such Obligation remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and interest due thereon.

(b) The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on any series of the Obligations from the proceeds of the sale of any other obligations of the City (including, with respect to any BANs, from proceeds of any Bonds authorized hereby) or from any other funds legally available for that purpose. The City may apply to the payment of the principal of or interest on each series of the Obligations any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if the funds are granted or paid to the City for the purpose of assisting the City in accomplishing the type of project or projects which such series of the Obligations are issued to finance or refinance, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

Section 17. **BE IT FURTHER ORDAINED** that pursuant to a subsequent resolution or resolutions, the Council may determine that any series of the Bonds or the BANs authorized hereby may be consolidated with any bonds or bond anticipation notes

authorized by one or more other ordinances of the Council and issued as a single series of bonds or bond anticipation notes, as applicable.

Section 18. **BE IT FURTHER ORDAINED** that (a) unless otherwise determined by the Council by resolution with respect to any particular series of the Obligations, each series of the Obligations will be issued with the expectation that interest payable thereon shall be excludable from gross income of the holders thereof for purposes of federal income taxation. The provisions of this Section 18 and Section 19 hereof shall be construed to apply only to each series of the Obligations the interest on which is excludable from gross income for purposes of federal income taxation.

(b) The City Manager and the Director of Finance are the officials of the City responsible for the issuance of the Obligations of each series within the meaning of Section 1.148-2(b)(2) of the Arbitrage Regulations (defined below). The City Manager and the Director of Finance also shall be the officials of the City responsible for the execution and delivery (on the date of the issuance of each series of the Obligations) of a certificate of the City (with respect to each such series of Obligations, the "Section 148 Certificate") that complies with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby authorized and directed to execute and deliver the Section 148 Certificate to counsel rendering an opinion on the validity and tax-exempt status of the Obligations of each series on the date of the issuance thereof.

(c) The City shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the

proceeds of the Obligations of a series or of any monies, securities or other obligations to the credit of any account of the City which may be deemed to be proceeds of such Obligations pursuant to Section 148 or the Arbitrage Regulations (collectively, the “Proceeds”). The City covenants with the registered owners of the Obligations of each series that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the City’s reasonable expectations on the date of issuance of the Obligations of such series and will be, to the best of the certifying officials’ knowledge, true and correct as of that date.

(d) The City covenants with the registered owners of the Obligations of each series that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Proceeds that would cause such Obligations to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage Regulations, and that it will comply with those provisions of Section 148 and the Arbitrage Regulations as may be applicable to the Obligations of such series on the date of issuance thereof and which may subsequently lawfully be made applicable to the Obligations of such series as long as such Obligations remain outstanding and unpaid.

Section 19. **BE IT FURTHER ORDAINED** that, subject to the provisions of Section 18 hereof, the City specifically covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, applicable to the Obligations of each series, including, without limitation, compliance with provisions regarding the timing of the expenditure of the proceeds of the Obligations of each series, the use of such proceeds and the facilities financed or refinanced with such proceeds, the restriction of investment yields, the filing of information with the Internal Revenue Service, and the rebate of certain

earnings resulting from the investment of the proceeds of the Obligations of such series or payments in lieu thereof. The City further covenants that it shall make such use of the proceeds of the Obligations of each series, regulate the investment of the proceeds thereof and take such other and further actions as may be required to maintain the exemption from federal income taxation of interest on the Obligations. All officials, officers, employees and agents of the City are hereby authorized and directed to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Obligations of each series as may be necessary or appropriate.

Section 20. **BE IT FURTHER ORDAINED** that in the discretion of the financial advisor to the City, CUSIP numbers may be printed on the Bonds of any series; provided that, the printing of CUSIP numbers on any Bonds (even if incorrect) shall have no legal effect and shall not in any way affect the enforceability or validity of any Bond.

Section 21. **BE IT FURTHER ORDAINED** that pursuant to the authority of this Ordinance, the Council, prior to the issuance, sale and delivery of the Bonds or the BANs of any series, shall adopt a resolution specifying, prescribing, determining, providing for and approving such matters, details, forms, documents or procedures as may be required or permitted by the Enabling Act, the Bond Anticipation Note Enabling Act, the Charter or this Ordinance, as applicable, or as the Council may deem appropriate.

Section 22. **BE IT FURTHER ORDAINED** that the title of this Ordinance shall be deemed to be, and is, a summary of this Ordinance for publication and all other purposes.

Section 23. **BE IT FURTHER ORDAINED** that this Ordinance shall become effective thirty (30) calendar days following its passage.

[SIGNATURES ON FOLLOWING PAGE]

INTRODUCED by the Council of the City of Bowie, Maryland at a regular meeting on _____ day of _____, 2009.

PASSED by the Council of the City of Bowie, Maryland at a regular meeting on _____ day of _____, 2009.

ATTEST:

THE CITY OF BOWIE

Pamela A. Fleming, City Clerk

By: _____
G. Frederick Robinson, Mayor

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Robert H. Levan, City Attorney

issue of bonds of which this bond is a part as of the close of business on the 15th day of the month prior to the month in which each interest payment date occurs (the “Regular Record Date”). Any such interest not so 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 special record date to be fixed by the Bond Registrar and Paying Agent for the payment of such defaulted interest (the “Special Record Date”), notice whereof being given by letter mailed first class, postage prepaid, to the registered owner not less than ten (10) days prior to such Special Record Date, at the address of such registered owner appearing on the registration books maintained by the Bond Registrar and Paying Agent. If a principal payment date or interest payment date falls on a Saturday, Sunday or a day on which the City or the Bond Registrar and Paying Agent is not required to be open, payment may be made on the next succeeding day that is not a Saturday, Sunday or a day on which the City or the Bond Registrar and Paying Agent is not required to be open, and no interest shall accrue for the intervening period.

IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER ALL OR A PORTION OF THE PRINCIPAL SUM OR REDEMPTION PRICE HAS BEEN PAID. EACH PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF THIS BOND SHALL BE NOTED HEREON, BUT THE FAILURE OF THE REGISTERED OWNER OF THIS BOND TO NOTE SUCH PAYMENT SHALL NOT AFFECT THE VALID PAYMENT AND DISCHARGE OF SUCH OBLIGATION AFFECTED BY SUCH PAYMENT.

This bond is the duly authorized bond of an issue of the City, aggregating \$_____ in principal amount, dated _____ and designated “The City of Bowie Public Improvement Bonds _____” (the “Bonds”). This bond is issued pursuant to and in full conformity with the provisions of Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland, as amended, and Sections 58 and 59 of the Charter of the City of Bowie, as published in Municipal Charters of Maryland, Volume 1, 2008 Replacement Edition, as amended, and by virtue of due proceedings had and taken by the Council of the City, particularly Ordinance No. _____, which was passed by the Council on _____, 2009 and became effective on _____, 2009 (the “Ordinance”), and Resolution No. _____, which was adopted by the Council on _____, and became effective on _____, (the “Resolution”).

The Bonds mature and are payable on _____ in the following years and amounts and bear interest at the following rates per annum:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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[INSERT ANY OPTIONAL REDEMPTION FEATURES]

[TO BE USED FOR ANY TERM BONDS--The Bonds maturing on _____ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption, on the dates and in the principal amounts set forth below:

Redemption Date

Mandatory Sinking
Fund Installment]

If less than all of the outstanding Bonds shall be called for optional redemption, the City shall choose the maturities to be redeemed and the principal amount of each such maturity in its sole discretion. If less than all of the Bonds of any one maturity shall be called for optional or mandatory sinking fund redemption, the particular Bonds or portions of Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar and Paying Agent.

When less than all of a Bond in a denomination in excess of \$5,000 is redeemed, then, upon surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations specified by the registered owner. The aggregate face amount of Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall bear interest at the same rate and shall mature on the same date as the unredeemed balance of the Bond surrendered.

When any Bonds are to be redeemed, the City shall cause a redemption notice to be given to the registered owners of the Bonds (or portions thereof) to be redeemed by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar and Paying Agent; provided, however, that the failure to mail a redemption notice or any defect in a notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers, principal amounts, interest rates and CUSIP numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds (or portions thereof) to be redeemed shall cease to accrue on the date fixed for redemption, (iii) the date fixed for redemption, (iv) the address of the office of the Bond Registrar and Paying Agent with a contact person and phone number, and (v) that the Bonds or portions thereof to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the designated corporate trust office of the Bond Registrar and Paying Agent. Such notice may state that it is conditioned upon receipt of sufficient funds to effect such redemption by the date fixed for redemption. From and after the date fixed for redemption, if funds sufficient for the payment of the principal or redemption price of and accrued interest are available on such date, the Bonds or portions thereof to be redeemed shall cease to bear interest. Upon presentation and surrender for redemption in compliance with the redemption notice, the Bonds or portions thereof to be redeemed shall be paid by the Bond Registrar and Paying Agent at the redemption price plus

accrued interest. If they are not paid upon presentation, the Bonds or portions thereof designated for redemption shall continue to bear interest at the rate stated therein until paid.

This bond is transferable only upon the registration books kept at the designated corporate trust office of the Bond Registrar and Paying Agent, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar and Paying Agent and duly executed by the registered owner or his duly authorized attorney.

This bond may be transferred or exchanged at the designated corporate trust office of the Bond Registrar and Paying Agent. Upon any such transfer or exchange, the City shall issue, and the Bond Registrar and Paying Agent shall authenticate and deliver, a new registered bond or bonds in authorized denominations equal to the aggregate principal amount of the bond so transferred or exchanged, with the same maturity and bearing interest at the same rate. In each case, the Bond Registrar and Paying Agent may require payment by the registered owner of this bond requesting transfer or exchange hereof of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such transfer or exchange, but otherwise no charge shall be made to the registered owner hereof for such transfer or exchange.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange this bond after the mailing or giving of notice calling this bond or any portion hereof for redemption.

The City and the Bond Registrar and Paying Agent may deem and treat the party 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.

This bond is initially issued in book-entry only form and registered under a 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 this bond is registered in book-entry form under a book-entry only system maintained by DTC, any successor thereto, or any replacement securities depository, payments of the principal or redemption price of and interest on this bond, the selection of all or any portion of this bond to be redeemed, and any notice required herein shall be made or given as provided by the rules and regulations of such securities depository, and all references to the registered owner of this bond shall mean such securities depository or its partnership nominee. During such period, the City and the Bond Registrar and Paying Agent will recognize such securities depository or its partnership nominee as the owner of this bond for all purposes.

The full faith and credit and unlimited taxing power of The City of Bowie are hereby unconditionally and irrevocably pledged to the payment of the principal of and interest on this bond according to its terms, and the City does hereby covenant and agree to pay punctually the principal of and the interest on this bond, at the dates and in the manner mentioned herein, according to the true intent and meaning hereof.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened or 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 Ordinance and the Resolution, and that this bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and that due provision has been made for the levy and collection of an annual ad valorem tax or taxes upon all the legally assessable property within the corporate limits of the City in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

IN WITNESS WHEREOF, The City of Bowie has caused this bond to be executed in its name by the manual or facsimile signature of the Mayor and its corporate seal to be affixed hereto manually or in facsimile, attested by the manual or facsimile signature of the City Clerk, all as of the ____ day of _____, _____.

THE CITY OF BOWIE

By: _____
Mayor

[SEAL]

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of The City of Bowie designated “The City of Bowie Public Improvement Bonds _____”.

as Bond Registrar and Paying Agent

By: _____
Authorized Officer

Date of Authentication: _____

(Form of Instrument of Transfer)

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 TYPEWRITE NAME AND ADDRESS,
INCLUDING ZIP CODE OF ASSIGNEE)

the within bond and all rights thereunder and does hereby constitute and appoint _____

attorney to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: Signatures must be guaranteed by a member or participant of a signature guaranty program.

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 whatsoever.

NOTICE OF SALE

\$ _____
THE CITY OF BOWIE (MARYLAND)
PUBLIC IMPROVEMENT BONDS _____

(Bonds Dated _____)

Electronic bids via Parity®
will be received until 11:00 a.m., prevailing Eastern time, on
_____ day, _____, _____

Description of Bonds

Electronic bids via Parity® will be received at the offices of The City of Bowie, a Maryland municipal corporation (the "City"), located at 2614 Kenhill Drive, Bowie, Maryland 20715, for the purchase of the above-described bonds aggregating \$_____ (the "Bonds"). The Bonds will be dated _____ and will bear interest payable semiannually beginning on _____ and thereafter on the first days of January and July until maturity or prior redemption. The Bonds will be issued under the authority of Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland (West 2002, as supplemented or amended) (the "Enabling Act"), and Sections 58 and 59 of the Charter of the City of Bowie, as published in Municipal Charters of Maryland, Volume 1, 2008 Replacement Edition, as replaced, supplemented or amended (the "Charter"), and are authorized to be issued by Ordinance No. _____, enacted by the Council of the City on _____, 2009 and effective on _____, 2009, and by a Resolution adopted by the Council on _____, and effective on _____. The Bonds will mature, subject to prior optional [and, if specified by the successful bidder, mandatory sinking fund redemption as herein permitted (see "Designation of Term Bonds" below)], on the first day of July in the following years and amounts:

<u>Year of Maturity [or Sinking Fund Payment]</u>	<u>Maturity [or Sinking Fund Payment] Amount</u>	<u>Year of Maturity [or Sinking Fund Payment]</u>	<u>Maturity [or Sinking Fund Payment] Amount</u>
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The Bonds will [NOT] be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

All Bonds herein described will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the City.

The proceeds of the Bonds will be used to finance or reimburse (i) costs of _____, and (ii) issuance costs and other related costs.

The Bonds will be fully-registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof, numbered from 1 upwards in the order of their maturities and each such number will be prefixed by the letter "R".

The Bonds shall be issued only in fully-registered form without coupons. One bond representing each maturity

will be issued to and registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of the Bonds, and such bond certificates shall be immobilized in the custody of DTC or with the Bond Registrar and Paying Agent identified below to be held under DTC’s “FAST” system. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC or with the Bond Registrar and Paying Agent to be held under DTC’s “FAST” system.

Principal of and semiannual interest on the Bonds will be payable in lawful money of the United States of America. Principal will be payable to the registered owners of the Bonds at the designated corporate trust office of Manufacturers and Traders Trust Company (the “Bond Registrar and Paying Agent”) in Buffalo, New York, upon presentment and surrender of the Bonds on the dates such principal is due. The semiannual interest on the Bonds will be payable to the persons in whose names the Bonds are registered on the books kept for that purpose at the designated corporate trust office of the Bond Registrar and Paying Agent on the Regular Record Date, which shall be the fifteenth day of the month immediately preceding each interest payment date, by check mailed to each such person’s address as it appears on such bond registration books. Notwithstanding the foregoing, while the Bonds are registered under DTC’s book-entry-only system, payment of the principal of and interest on the Bonds shall be made by the Bond Registrar and Paying Agent to DTC or its nominee in accordance with the requirements of DTC.

[Add any optional redemption provisions]

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 and Paying Agent in such manner as in its discretion, it shall determine.

[Designation of Term Bonds

A bidder may designate in its proposal for the Bonds two or more consecutive principal amounts provided for in the amortization schedule above as a term bond, which matures on the maturity date of the last payment of the sequence[; provided that, the first such principal amount that may be designated as a mandatory sinking fund payment with respect to a term bond is the amount due on _____ as provided above (meaning that the earliest maturity date for a term bond that has only two consecutive mandatory sinking fund payments would be _____)]. [No more than ____ term bonds may be designated.] Any such term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire amount of such principal amount specified above designated for inclusion in such term bond.]

Electronic Bids

Electronic bids will be received via **Parity®**, in the manner described below, until 11:00 a.m. prevailing Eastern time, on _____, but no bid will be received after such designated time. To the extent any instructions or directions set forth in **Parity®** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact **Parity®** at Dalcomp (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to register to bid via **Parity®** as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity®** for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor **Parity®** shall have any duty or obligation to provide or assure access to **Parity®** to any prospective bidder, and neither the City nor **Parity®** shall be responsible for a bidder’s failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **Parity®**. The City is using **Parity®** as a communication mechanism, and not as the City’s agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of **Parity®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the “Bid

Specifications” hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via **Parity®** are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, he should telephone **Parity®** at Dalcomp (212) 849-5021 and notify the City’s Financial Advisor, A. Samuel Ketterman, at Davenport & Company LLC by facsimile at (410) 296-8517.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **Parity®**. Bids will be communicated electronically to the City at 11:00 a.m., prevailing Eastern time, on _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **Parity®**, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **Parity®** to the City, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on **Parity®** shall constitute the official time.

Bid Specifications

Bidders shall submit one bid via **Parity®** on an all-or-none basis for the Bonds. Each proposal must specify the amount bid for the Bonds, which shall not be less than 100% of par or more than ____% of par, plus accrued interest from _____ to the date of delivery of the Bonds. Each proposal must specify in multiples of one-eighth (1/8th) or one-twentieth (1/20th) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having the same maturity or sinking fund installment date, (b) a zero rate of interest for any Bonds, (c) a rate of interest for any Bonds that exceeds ____% per annum, or (d) any interest rate for any Bonds that exceeds the interest rate stated in such proposal for any other Bonds by more than _____ percent (____%).

Electronic bids will be opened promptly after 11:00 a.m. (prevailing Eastern time as determined in accordance with the time as maintained on **Parity®**) on _____. The award of the Bonds, if made, will be made to the bidder naming the lowest true interest cost for all Bonds in any legally acceptable proposal and a premium, if any, and accrued interest from _____. The lowest true interest cost of each proposal will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to _____ and to the amount bid, not including interest accrued to the date of delivery. Where the proposals of two or more bidders result in the same lowest true interest cost, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the City shall have the right to award all of the Bonds to one bidder. The right is reserved to the City to reject any or all proposals and to waive any irregularity or informality in any proposal. The City’s judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 5:00 p.m., prevailing Eastern time, on the sale date. All bids remain firm until an award is made. To the extent the Council is not in session at the time of the award, the City has delegated to the City Manager the right to make the award of the Bonds or to reject all bids.

[Acquisition of Bond Insurance at Bidder’s Option

Any bidder, if it so chooses and at its own expense, may qualify one or more maturities of the Bonds for municipal bond insurance. If any Bonds qualify for municipal bond insurance, any purchase of such insurance or commitment therefor shall be made at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance (including, without limitation, the premium for any such bond insurance and the fees of any rating agencies in connection therewith) shall be paid by such bidder. In the event that all or any part of the Bonds are initially reoffered with bond insurance secured by the successful bidder, the successful bidder shall be required to notify promptly the City at the time of sale and shall provide the City with any information reasonably requested regarding such bond insurance, including the amounts paid for such insurance. The City will, at the request and expense of the successful bidder, include customary language in the Official Statement referred to below and the Bonds regarding the insurance policy upon receipt of such opinions or

certificates as the City reasonably may request regarding the accuracy of any information to be included in the Official Statement and the binding nature of the obligations contained in the insurance policy with respect to the Bonds. The City shall have no obligation to provide the successful bidder or the bond insurance company with any other documents or opinions relating to the Bonds. Any failure of the Bonds to be so insured or of any such policy of bond insurance to be issued shall not in any way relieve the successful bidder of its contractual obligations arising from the acceptance of its proposal for purchase of the Bonds.]

[Good Faith Deposit

Each bid shall be accompanied by a good faith deposit in the form of a certified check upon, or a cashier's, treasurer's or official check of, a responsible banking institution, payable to the order of "The City of Bowie" (and delivered to the attention of the City Manager at the address set forth above prior to the opening of the electronic bids) or a financial surety bond (a "Surety Bond") from an insurance company acceptable to the City and licensed to issue such a bond in the State of Maryland, in the amount of \$_____ (the "Deposit"). If a Surety Bond is used, it must be submitted to the City prior to the opening of the bids and must be in form and substance acceptable to the City, including (without limitation) identifying the bidder whose Deposit is guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then such successful bidder is required to submit its Deposit to the City in the form of a wire transfer not later than 12:00 p.m., prevailing Eastern time, on the next business day following the award. If such Deposit is not received by that time, the Surety Bond may be drawn by the City to satisfy the Deposit requirement. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied in part payment for the Bonds, and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages. The checks of the unsuccessful bidders will be returned promptly after the Bonds are awarded. **THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL OFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW.]**

Continuing Disclosure; CUSIP Numbers

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the City will execute and deliver a continuing disclosure certificate on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. A description of this certificate is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Official Statement; Reoffering Information

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the City will authorize an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the successful bidder at or before the close of business on the date of the sale, the City will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder (the "Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the City and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to ____ copies of the Official Statement (and any amendments or supplements thereto, except to the extent such amendments or supplements are required due to a change in the Reoffering Information [or any disclosure regarding municipal bond insurance provided by or on behalf of the successful bidder]).

Delivery of the Bonds

Delivery of the Bonds, without expense, will be made by the City to the successful bidder on or about _____, or as soon as practicable thereafter, in New York, New York or at such other location as shall be mutually acceptable to the City and the successful bidder, and, thereupon, said successful bidder will be required to accept delivery of the Bonds purchased and pay, in federal funds, the balance of the purchase price due. The Bonds will be issued and sold subject to approval as to legality by Funk & Bolton P.A., Baltimore, Maryland, bond counsel, whose approving opinion substantially in the form included in the Preliminary Official Statement will be delivered, upon request, to the successful bidder, without charge. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of any of the Bonds. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said successful bidder shall be furnished a certificate or certificates of City officials to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information provided by the successful bidder, information concerning any provider of municipal bond insurance with respect to the Bonds, and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed), as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the City, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

Issue Price Certificate

Upon award of the Bonds, the successful bidder shall advise the City of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE CITY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (i) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; AND (ii) A SUBSTANTIAL AMOUNT OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder; (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at (or below) the Initial Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds; and (iii) reliance on other facts as a basis for such certification would require evaluation by bond counsel to assure compliance with the statutory requirement to avoid establishment of an artificial price for the Bonds.

[Revisions; Postponement of Sale

NOTE: The City may revise this Notice of Sale by written notice available to prospective bidders by publishing notice of any revisions on TM3 News Service ("TM3") at or before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Notice of Sale including any revisions made pursuant to this paragraph.

The City reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be announced by TM3 by notice given not later than 1:00 p.m., prevailing Eastern time, on the last business day prior to any announced date for receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced via TM3 at least 48 hours prior to such alternative sale date. In addition, the City reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. If all bids are rejected and an alternative sale date for receipt of bids established, notice of the alternative sale date will be announced via TM3 not less than 48 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced by TM3 News Service at the time the sale date and time are announced.]

Preliminary Official Statement; Notice of Sale

A printed Preliminary Official Statement, a reproduced copy of the printed Preliminary Official Statement or directions for accessing an electronic version of the Preliminary Official Statement, together with this Notice of Sale, may be obtained by contacting the City Manager, City Hall, 2614 Kenhill Drive, Bowie, Maryland 20715, (301) 262-6200, or by contacting the City's financial advisor, Davenport & Company LLC, 8600 LaSalle Road, Suite 324, Towson, Maryland 21286, (410) 296-9426. Such Preliminary Official Statement is deemed final by the City as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

By order of
THE CITY OF BOWIE

By: /s/ David J. Deutsch, City Manager