



CITY OF SALISBURY SPECIAL MEETING AGENDA

July 18, 2016
Government Office Building

4:30 p.m.
Council Chambers

Times shown for agenda items are estimates only.

- 4:30 p.m. CALL TO ORDER
- 4:31 p.m. WELCOME/ANNOUNCEMENTS
- 4:32 p.m. ADOPTION OF LEGISLATIVE AGENDA
- 4:34 p.m. **Ordinance No. 2394** – 2nd reading – City Attorney Mark Tilghman to approve the issue and sale of General Obligation Bonds in an aggregated amount not to exceed, \$4,751,500.00 to be used for the public purpose of financing, reimbursing or refinancing expenses of public projects
- 4:40 p.m. **Resolution No. 2645** – Internal Services Director Keith Cordrey authorizing the issuance and sale of a series of its general obligation bonds in the aggregate principal amount not to exceed thirty million twenty-five thousand dollars (\$30,025,000.00)
- 4:45 p.m. ADJOURNMENT

Copies of the agenda items are available for review in the City Clerk's Office, Room 305 – City/County Government Office Building 410-548-3140 or on the City's website www.ci.salisbury.md.us

City Council meetings are conducted in open session unless otherwise indicated.

All or part of the Council's meetings can be held in closed session under the authority of the Maryland Open Meetings Law, Annotated Code of Maryland 10-508(a), by vote of the City Council.

Proposed agenda items for July 25, 2016 Meeting

- Resolution No. ____ -Appointing Stephen Bullock to the Disability Advisory Committee
- Resolution No. ____ - Accepting WINTF Funds to Support the Purchase of a K-9
- Ordinance No. ____ -1st Reading- Budget Amendment- Contract Reimbursement

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AN ORDINANCE OF THE COUNCIL (THE "COUNCIL") OF THE CITY OF SALISBURY TO AUTHORIZE AND EMPOWER CITY OF SALISBURY (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 FOUR MILLION SEVEN HUNDRED FIFTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$4,751,500.00), THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING, REIMBURSING OR REFINANCING COSTS (AS DEFINED HEREIN, WHICH INCLUDE ISSUANCE COSTS AND CAPITALIZED INTEREST) OF THE PUBLIC PURPOSE PROJECTS IDENTIFIED HEREIN AS: SPINE RAIL TRAIL; COMMUNITY CENTERS; RIVERSIDE CIRCLE; SERVICE CENTER FACILITY PLAN PHASE 1; E-7 INSPECTOR'S TRUCK; S-14 2001 F-150 DUMP TRUCK; S-32 HOT PATCH TRAILER IMPROVEMENTS; REPLACEMENT OF 1998 ROLLER; LEMMON HILL STANDPIPE; FITZWATER STREET LIFT STATION – PHASE II; BELT FILTER PRESS REHABILITATION; DUMP TRUCK; DUMP TRUCK WWTP; PARKING GARAGE FAÇADE AND LANDSCAPING; AND AQUATIC WEED HARVESTOR WITH UNLOADING CONVEYOR; SPECIFYING THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS OR BOND ANTICIPATION NOTES PROVIDED FOR HEREIN TO BE ALLOCATED TO EACH SUCH PROJECT, SUBJECT TO REALLOCATION BY THE CITY IN ACCORDANCE WITH APPLICABLE BUDGETARY PROCEDURES OR LAW; PROVIDING FOR THE COUNCIL BY RESOLUTION TO DETERMINE, APPROVE OR PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND REDEMPTION OF AND FOR EACH SERIES OF THE BONDS; AUTHORIZING AND EMPOWERING 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 FOUR MILLION SEVEN HUNDRED FIFTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$4,751,500.00), PRIOR TO AND IN ANTICIPATION OF THE ISSUANCE OF ANY OF THE BONDS AUTHORIZED HEREBY, IN ORDER TO FINANCE OR REIMBURSE PROJECT COSTS ON AN INTERIM BASIS; AUTHORIZING AND EMPOWERING THE COUNCIL TO PROVIDE BY RESOLUTION FOR THE ISSUANCE AND SALE FROM TIME TO TIME OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS IN ORDER TO REFUND ANY OF THE BONDS ISSUED PURSUANT TO THE AUTHORITY OF THIS ORDINANCE (INCLUDING PAYING ISSUANCE COSTS AND INTEREST ON SUCH REFUNDING BONDS), PROVIDED THAT, THE AGGREGATE PRINCIPAL AMOUNT OF ANY SUCH SERIES OF REFUNDING BONDS SHALL NOT EXCEED ONE HUNDRED THIRTY PERCENT (130%) OF THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS REFUNDED THEREFROM; PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING

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42 POWER OF THE CITY TO, THE PROMPT PAYMENT OF THE PRINCIPAL OF AND
43 INTEREST ON EACH SERIES OF THE BONDS, THE BOND ANTICIPATION NOTES AND
44 THE REFUNDING BONDS AUTHORIZED HEREBY (COLLECTIVELY, THE
45 “OBLIGATIONS”); PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON EACH
46 SERIES OF THE OBLIGATIONS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF
47 REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; PROVIDING
48 THAT CERTAIN ACTIONS MAY BE TAKEN OR PROVIDED FOR BY RESOLUTION IN
49 CONNECTION WITH THE REISSUANCE OF ANY OF THE OBLIGATIONS; PROVIDING
50 THAT ANY OF THE OBLIGATIONS AUTHORIZED HEREBY MAY BE CONSOLIDATED
51 WITH ANY BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS
52 AUTHORIZED BY THE COUNCIL AND ISSUED AS A SINGLE SERIES OF BONDS, BOND
53 ANTICIPATION NOTES AND/OR REFUNDING BONDS; AUTHORIZING AND DIRECTING
54 OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE CERTAIN ACTIONS IN
55 CONNECTION WITH THE OBLIGATIONS; PROVIDING THAT THIS TITLE SHALL BE
56 DEEMED A STATEMENT OF THE SUBSTANCE OF THIS ORDINANCE FOR ALL
57 PURPOSES; AND OTHERWISE GENERALLY RELATING TO THE ISSUANCE, SALE,
58 DELIVERY AND PAYMENT OF THE OBLIGATIONS.

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60

RECITALS

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62 WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland and a
63 municipality within the meaning of the Enabling Act, the Bond Anticipation Note Act and the
64 Refunding Act identified below (the “City”), is authorized and empowered by Sections 19-301
65 through 19-309 of the Local Government Article of the Annotated Code of Maryland (previously
66 codified as Sections 31 through 37 of Article 23A of the Annotated Code of Maryland), as replaced,
67 supplemented or amended (the “Enabling Act”), and Sections SC7-45 and SC7-46 of the Charter of
68 the City of Salisbury, as replaced, supplemented or amended (the “Charter”), to borrow money for
69 any proper public purpose and to evidence such borrowing by the issuance and sale of its general
70 obligation bonds; and

71

72 WHEREAS, the City has determined to undertake the public purpose projects identified in
73 Section 3 of this Ordinance; and

74

75 WHEREAS, the City has determined to authorize the issuance from time to time of one or
76 more series of its general obligation bonds in order to finance, reimburse or refinance all or a
77 portion of the costs of any of the public purpose projects identified in Section 3 of this Ordinance;
78 and

79

80 WHEREAS, prior to issuing one or more series of the bonds authorized hereby, the City
81 may need to obtain interim financing in order to finance or reimburse applicable project costs on a
82 timely basis through the issuance from time to time of general obligation bond anticipation notes in
83 one or more series pursuant to the authority of Sections 19-211 through 19-223 of the Local

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84 Government Article of the Annotated Code of Maryland (previously codified as Section 12 of
85 Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Bond
86 Anticipation Note Act”); and

87
88 WHEREAS, subsequent to the issuance of any bonds provided for herein, the City may
89 desire to currently refund or advance refund all or a portion of such bonds through the issuance from
90 time to time of one or more series of its general obligation refunding bonds pursuant to the authority
91 of Section 19-207 of the Local Government Article of the Annotated Code of Maryland (previously
92 codified as Section 24 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented
93 or amended (the “Refunding Act”); and

94
95 WHEREAS, the City has determined to pledge its full faith and credit and unlimited taxing
96 power to the prompt payment of debt service on any general obligation bonds, bond anticipation
97 notes or refunding bonds authorized hereby; and

98
99 WHEREAS, the City shall issue any bonds, bond anticipation notes or refunding bonds
100 authorized hereby in accordance with the terms and conditions provided for in a resolution or
101 resolutions to be adopted by the Council of the City (the “Council”) pursuant to the authority of the
102 Enabling Act, the Bond Anticipation Note Act, the Refunding Act, the Charter and this Ordinance,
103 as applicable.

104
105 SECTION 1. NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF
106 THE CITY OF SALISBURY, MARYLAND that:

107
108 (a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and
109 incorporated by reference herein. Capitalized terms used in the Sections of this Ordinance and not
110 defined herein shall have the meanings given to such terms in the Recitals.

111
112 (b) References in this Ordinance to any official by title shall be deemed to refer (i) to
113 any official authorized under the Charter, the code of ordinances of the City (the “City Code”) or
114 other applicable law or authority to act in such titled official’s stead during the absence or disability
115 of such titled official, (ii) to any person who has been elected, appointed or designated to fill such
116 position in an acting capacity under the Charter, the City Code or other applicable law or authority,
117 (iii) to any person who serves in a “Deputy”, “Associate” or “Assistant” capacity as such an official,
118 provided that the applicable responsibilities, rights or duties referred to herein have been delegated
119 to such deputy, associate or assistant in accordance with the Charter, the City Code or other
120 applicable law or authority, and/or (iv) to the extent an identified official commonly uses another
121 title not provided for in the Charter or the City Code, the official, however known, who is charged
122 under the Charter, the City Code or other applicable law or authority with the applicable
123 responsibilities, rights or duties referred to herein.

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	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Spine Rail Trail	\$150,000
2.	Community Centers	500,000
3.	Riverside Circle	175,000
4.	Service Center Facility Plan Phase 1	102,000
5.	E-7 Inspector’s Truck	30,000
6.	S-14 2001 F-150 Dump Truck	48,500
7.	S-32 Hot Patch Trailer Improvements	40,000
8.	Replacement of 1998 Roller	50,000
9.	Lemmon Hill Standpipe	100,000
10.	Fitzwater Street Lift Station – Phase II	2,690,000
11.	Belt Filter Press Rehabilitation	357,000
12.	Dump Truck	90,000
13.	Dump Truck WWTP	90,000
14.	Parking Garage Façade and Landscaping	200,000
15.	Aquatic Weed Harvester with Unloading Conveyor	129,000
	TOTAL	<u>\$4,751,500.00</u>

161
 162 The projects identified in items 1-15 above are collectively referred to herein as the “Projects”. The
 163 Projects described in items 1-15 above are identified by approximately the same names as such
 164 Projects are identified in City budget materials. The City, without notice to or the consent of any
 165 registered owners of the Bonds (or the registered owners of any of the BANs, as applicable), may
 166 reallocate the maximum principal amount of the Bonds (and of any of the BANs, as applicable) to
 167 be spent among any of the Projects in compliance with applicable budgetary procedures or
 168 applicable law, including, to the extent applicable, by resolution. Further, it is the intention of the
 169 Council that proceeds of the Bonds (or of any of the BANs, as applicable) may be spent on any
 170 applicable costs (as defined above) relating to the Projects identified in items 1-15 above,
 171 notwithstanding the descriptive names used for such Projects in the table above, including, without
 172 limitation, changes in scopes of the Projects identified above effected through applicable budgetary
 173 procedures or applicable law.

174
 175 (c) In the event the City issues any series of the BANs pursuant to Section 6 of this
 176 Ordinance, proceeds of the Bonds of any series in anticipation of which such BANs were issued
 177 may also be applied to prepay or pay principal, premium and/or interest on such series of the BANs
 178 in accordance with the Bond Anticipation Note Act, and such application shall be deemed the
 179 payment of “costs” for purposes of this Ordinance.

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181 SECTION 4. BE IT FURTHER ORDAINED that the proceeds of the Bonds shall be used
182 and applied by the City exclusively and solely for the public purposes described in Section 3 of this
183 Ordinance, unless a supplemental ordinance is enacted by the Council to provide for the use and
184 application of such proceeds for some other proper public purpose authorized by the Enabling Act,
185 the Charter or other applicable law.
186

187 SECTION 5. BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling
188 Act, the Charter and this Ordinance, the Council, prior to the issuance, sale and delivery of each
189 series of the Bonds, shall adopt a resolution or resolutions (in each such case and, collectively, the
190 “Resolution”) specifying, prescribing, determining, providing for or approving such matters, details,
191 forms (including, without limitation, the complete forms of the Bonds of such series), documents or
192 procedures as may be required by the Enabling Act, the Charter or this Ordinance or as the Council
193 may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment
194 or redemption of or for such series of the Bonds. The Resolution shall set forth, determine or
195 provide for the determination of, provide for, or approve or provide for the approval of, among
196 other matters, as applicable, the designation of such series of the Bonds; the date of issue of such
197 series of the Bonds; the aggregate principal amount of such series of the Bonds; the denominations
198 of such series of the Bonds; the maturity or maturities of such series of the Bonds, or the method of
199 determining such maturity or maturities; the principal installment or installments payable on such
200 series of the Bonds or the method of determining such principal installments; the rate or rates of
201 interest, or the method of determining the rate or rates of interest, payable on such series of the
202 Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional
203 interest or penalties payable on the Bonds of such series or adjustments to interest rates in
204 appropriate circumstances; the purchase price for such series of the Bonds (which may be at, above
205 or below par value) or the method of determining the purchase price; provisions relating to the
206 prepayment or redemption of such series of the Bonds at the City’s option or by mandatory sinking
207 fund payments; provisions allowing the registered owners of such series of the Bonds to put or
208 cause the prepayment or redemption of the same at their option; the manner of selling such series of
209 the Bonds, which may be by private (negotiated) sale without advertisement or solicitation of
210 competitive bids or at public sale after publication or dissemination of the notice of sale, and all
211 matters in connection therewith, including any forms of documents, certificates, instruments or
212 notices authorized or required by applicable law; the specific Projects the costs of which are to be
213 financed, reimbursed or refinanced from proceeds of such series of the Bonds; provisions for the
214 appropriation, disposal and investment of proceeds of such series of the Bonds; provisions for the
215 application of unexpended proceeds, any premium paid upon sale or investment earnings on
216 proceeds of such series of the Bonds, which may include, without limitation, on costs of the Projects
217 or on debt service payable on such series of the Bonds, to the extent permitted by applicable law;
218 the selection of any bond registrar, paying agent, investment bidding agent or other appropriate
219 service providers in connection with such series of the Bonds; certifications, representations,
220 determinations, designations or elections relating to the tax-exempt or taxable status of interest
221 payable on such series of the Bonds; and all other terms and conditions pursuant to which such
222 series of the Bonds will be issued, sold and delivered, including, without limitation, any other

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223 determinations to be made by resolution as required by Charter Section SC7-46.A. Among other
224 matters, the Council, pursuant to the Resolution, may authorize, approve or otherwise provide for (i)
225 any commitment fee or similar fee and any other costs (including other parties' legal costs) payable
226 in connection with any series of the Bonds, (ii) the obtaining of credit enhancement or liquidity
227 enhancement for any series of the Bonds (and the execution and delivery of any agreements or
228 documents relating thereto), and (iii) any other agreements, documents, instruments or
229 determinations necessary to enhance the marketability of or as security for any series of the Bonds,
230 including (without limitation) any ratings, any official statement or similar disclosure document or
231 any continuing disclosure undertaking required to satisfy the requirements of Securities and
232 Exchange Commission Rule 15c2-12. References in this Section 5 to providing for determinations
233 or approvals pursuant to the Resolution shall be construed to permit the Council to delegate to one
234 or more officials the authority to make or provide on behalf of the City any of the determinations or
235 approvals contemplated by this Section 5. Any Resolution may determine the matters identified in
236 this Section 5 for more than one series of the Bonds.

237
238 SECTION 6. BE IT FURTHER ORDAINED that:
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240 (a) Pursuant to the authority of the Bond Anticipation Note Act and the Charter, the
241 City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general
242 obligation bond anticipation notes in one or more series from time to time in an aggregate principal
243 amount not to exceed Four Million Seven Hundred Fifty-one Thousand Five Hundred Dollars
244 (\$4,751,500.00) (collectively, the "BANs"), prior to and in anticipation of the sale of any series of
245 the Bonds, for the public purpose of financing or reimbursing costs of the Projects on an interim
246 basis. Any such series of the BANs may consist of one or more notes and any note may be issued in
247 installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of
248 the BANs, the Council shall adopt a resolution or resolutions pursuant to the authority of the Bond
249 Anticipation Note Act, the Charter and this Ordinance authorizing such series of the BANs and
250 specifying, prescribing, determining or providing for the determination of, providing for, or
251 approving or providing for the approval of, with respect to such series of the BANs, the same types
252 of matters, details, forms, documents or procedures and determinations detailed in Section 5 hereof
253 that may be made or addressed with respect to any series of the Bonds, to the extent applicable with
254 respect to such series of the BANs, and as otherwise may be authorized or required by applicable
255 law.

256
257 (b) As authorized by the Bond Anticipation Note Act, by resolution the Council may
258 provide for the renewal of any series of the BANs at maturity with or without resale, together with
259 any amendments or modifications to such series of the BANs and any related documentation.

260
261 SECTION 7. BE IT FURTHER ORDAINED that pursuant to the authority of the
262 Refunding Act and the Charter, the City is hereby authorized and empowered to issue and sell,
263 upon its full faith and credit, its general obligation refunding bonds in one or more series from
264 time to time (collectively, the "Refunding Bonds"), for the purpose of currently refunding or

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265 advance refunding in whole or in part any of the Bonds then outstanding, including paying all or
266 any portion of the following: outstanding principal, prepayment or redemption premium, and/or
267 interest accrued or to accrue to the date or dates of prepayment, redemption, purchase or maturity
268 of the Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and
269 delivery of such series of the Refunding Bonds, and, to the extent determined by the Council by
270 resolution, paying interest on such series of the Refunding Bonds, for the public purpose of
271 realizing savings to the City in the total cost of debt service on a direct comparison or present
272 value basis, or in order to accomplish a debt restructuring that reduces the total cost of debt
273 service or is determined by the Council to be in the best interests of the City, to be consistent with
274 the City's long-term financial plan, and to realize a financial objective of the City, including
275 improving the relationship of debt service to any source of payment such as taxes, assessments or
276 other charges, or for any other purpose then authorized by the Refunding Act or other applicable
277 law; provided that, the aggregate principal amount of any series of the Refunding Bonds shall not
278 exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds
279 refunded therefrom. Any such series of the Refunding Bonds may consist of one or more bonds
280 and any bond may be issued in installment form and/or draw-down form. Prior to the issuance,
281 sale and delivery of each series of the Refunding Bonds, the Council shall adopt a resolution or
282 resolutions authorizing such series of the Refunding Bonds and specifying, describing,
283 determining or providing for the determination of, providing for, or approving or providing for
284 the approval of, with respect to such series of the Refunding Bonds, the same types of matters,
285 details, forms, documents, procedures and determinations detailed in Section 5 hereof that may
286 be made or addressed with respect to any series of the Bonds, to the extent applicable to such
287 series of the Refunding Bonds, and as otherwise may be authorized or required by applicable
288 law, including, without limitation, the purposes of the Refunding Act to be achieved by the
289 issuance of such series of the Refunding Bonds, the selection of any escrow agent or verification
290 consultant, the selection of any escrow bidding agent, the determination of the Bonds to be
291 refunded from such series of the Refunding Bonds, and any agreements, documents or other
292 instruments necessary or desirable in connection with the refunding.

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294 SECTION 8. BE IT FURTHER ORDAINED that:

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296 (a) For the purpose of paying the principal of and interest on the Bonds, the BANs and
297 the Refunding Bonds (individually or collectively, the "Obligations") when due, the City shall levy
298 or cause to be levied, for each and every fiscal year during which any series of the Obligations may
299 be outstanding, ad valorem taxes upon all real and tangible personal property in the City that is
300 subject to assessment for unlimited municipal taxation in rate and amount sufficient to pay the
301 principal of and interest on such series of the Obligations in each such fiscal year. If the proceeds
302 from the taxes so levied in any such fiscal year are inadequate for such payment, additional taxes
303 shall be levied in the succeeding fiscal year to make up such deficiency.

304
305 (b) The full faith and credit and unlimited taxing power of the City are hereby
306 irrevocably pledged to the prompt payment of the principal of and interest on each series of the

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307 Obligations as and when they become due and payable and to the levy and collection of the taxes
308 hereinabove described as and when such taxes may become necessary in order to provide sufficient
309 funds to meet the debt service requirements of such series of the Obligations. The City hereby
310 covenants and agrees with the registered owners, from time to time, of each series of the
311 Obligations to levy and collect the taxes hereinabove described and to take any further action that
312 may be lawfully appropriate from time to time during the period that such series of the Obligations
313 remains outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof
314 and the interest due thereon.

315
316 (c) The foregoing provisions shall not be construed so as to prohibit the City from
317 paying the principal of and interest on any series of the Obligations from the proceeds of the sale of
318 any other obligations of the City or from any other funds legally available for that purpose
319 (including, without limitation, (i) with respect to the BANs, from the proceeds of the Bonds and (ii)
320 with respect to the Bonds, from the proceeds of the Refunding Bonds). Within any applicable
321 limitations of Maryland or federal law (including, without limitation, the Internal Revenue Code of
322 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder), the City may apply
323 to the payment of the principal of or interest on any series of the Obligations any funds received by
324 it from the State of Maryland or the United States of America, or any governmental agency or
325 instrumentality, or from any other source, if such funds are granted or paid to the City for the
326 purpose of assisting the City in the types of projects which the Obligations of such series are issued
327 to finance, reimburse or refinance or are otherwise available for such purpose, and to the extent of
328 any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may
329 be reduced proportionately. Pursuant to the authority of Section SC7-46.A. of the Charter, by
330 resolution the Council may provide that all or a portion of the debt service on the allocable portion
331 of any series of the Obligations shall be payable in the first instance from specified revenues or
332 other moneys identified in such resolution, to the extent available for such purpose.

333
334 SECTION 9. BE IT FURTHER ORDAINED that by resolution, the Council may make any
335 appropriate arrangements (including, without limitation, by authorizing one or more appropriate
336 officials to make any elections, designations, determinations or filings on the City's behalf) in the
337 event any right of the registered owner of an Obligation to put or cause the prepayment or
338 redemption of such Obligation at its option, or any change in the interest rate of an Obligation, or
339 any other modification to an Obligation could lead to a reissuance of such Obligation for purposes
340 of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated
341 thereunder.

342
343 SECTION 10. BE IT FURTHER ORDAINED that by resolution, the Council may
344 determine that any of the Bonds, the BANs or the Refunding Bonds may be consolidated with any
345 bonds, bond anticipation notes and/or refunding bonds authorized by the Council and issued as a
346 single series of bonds, bond anticipation notes and/or refunding bonds.

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To: Tom Stevenson, City Administrator
From: Julia Glanz, Asst. City Administrator
Subject: Resolution to Authorize the Issuance and Sale of General Obligation Bonds
Date: July 14, 2016

Attached is a resolution to authorize the issuance and sale of General Obligation Bonds. Below is a summary from Bond Counsel, Lindsey Rader of Funk & Bolton.

Key Differences between December 2015 Bond and the 2016 Bonds

- 2015 Bond was privately placed with a bank after the City and its financial advisor conducted a request for proposals to determine the bank that would offer the City the most advantageous terms. Although that involved an RFP process, it qualified as a private sale for State law purposes. 2016 Bonds are being sold by public sale at competitive bid due to the potential sheer size of the issue and to ensure that the final interest rates will be fixed and not subject to any kind of adjustment (2015 Bond interest rate is subject to adjustment if that bond is determined to be taxable). The conventional wisdom is that with a larger issue size, a public sale at competitive bid results in lower interest rates than a private placement would.
- With a public sale at competitive bid, a particular date and time is selected to hold the sale. At the sale, interested bidders (underwriting firms, such as M&T Securities, Morgan Stanley, Janney Montgomery Scott, etc.) submit bids to purchase the 2016 Bonds over an electronic platform (in this case, BidComp/Parity/www.i-deal-prospectus.com). Each bid contains the interest rates at which the bidder will purchase the 2016 Bonds and the premium, if any, over the par amount of the 2016 Bonds (the face amount) that the bidder will pay. The successful bidder is compensated for its purchase of the 2016 Bonds from the net premium at which it sells the 2016 Bonds to investors (this is known as an “underwriter’s discount”). The City will pay debt service on the 2016 Bonds based on the stated interest rates bid by the successful bidder.
- For a competitive sale at public bid, the City (i) pursuant to SEC Rule 15c2-12 commits to provide annual ongoing disclosure of its audited financial statements, certain other financial information or operating data and notices of the occurrence of certain events (e.g., bond redemptions, rating changes, etc.), and (ii) needs to prepare and circulate to potential underwriting firms that will bid to purchase the bonds and investors in the bonds a disclosure document known as an Official Statement. The continuing disclosure information is currently required to be posted on an electronic website overseen by the Municipal Securities Rulemaking Board that is known as “EMMA” (Electronic Municipal Market Access). The Official Statement is circulated to potential bidders and investors in preliminary form prior to the date of sale and contains information regarding how the 2016



Bonds are structured, an overview of City elected and appointed officials, information regarding services provided by the City, the City's finances (including pension, OPEB, revenue and expenditure statements, tax levies and collections, and outstanding debt), and demographic and economic information. The form of Notice of Sale outlining the structure and parameters for potential bidders is Appendix C to the Preliminary Official Statement. After the sale, a final form of Official Statement is prepared and circulated disclosing the final terms of the 2016 Bonds. The City has not sold bonds by public sale at competitive bid since some time in the mid-1990s.

- Because the 2016 Bonds are being issued to fund new projects and refund up to eight separate outstanding bond issues, the size and amortization structure of the 2016 Bond issue remains subject to adjustment for various reasons outlined in the Resolution until close to the time of the sale and even after bids are received. Once the apparent successful bidder is determined, Davenport & Company LLC will likely adjust the final size and amortization schedule for the 2016 Bonds, taking into account the overall premium bid by the successful bidder, in order to ensure that the City does not end up with more 2016 Bond proceeds than it needs for the purposes for which those bonds are issued. The successful bidder is the one that bids with interest rates that result in the lowest true interest cost to the City and whose bid otherwise meets any bid spec parameters stated in the Notice of Sale (e.g., that the difference between the highest and lowest interest rates cannot exceed 3%, that no interest rate exceeds a certain maximum, that the bidder bids at least 100% of par, etc.) Davenport & Co. will run all the necessary calculations to determine the lowest true interest cost and successful bidder.
- Because the 2016 Bonds are being publicly offered, those bonds will be rated by Moody's and S&P.

Summary of 2016 Bond Resolution:

- Recitals provide that the City will issue a series of general obligation new money/refunding bonds in order to (i) finance or reimburse costs of the projects authorized by Ord. No. 2394 and (ii) currently refund in whole or in part the outstanding City general obligation bonds identified therein as the: 2007 Bond, 2008 Bond, 2009 Bond, 2011B Bond, 2012 Bond, 2013 Bond, 2014A Bond and/or 2014B Bond (collectively, the "Potential Refunded Bonds"), and pay issuance costs pursuant to applicable law and identify existing bond authorization ordinances that allow for the refunding. The Potential Refunded Bonds are identified on Exhibit A to the Resolution.
- While the stated intention is to issue 2016 Bonds to fund all of the projects identified in Ord. No. 2394 and currently refund all of the outstanding Potential Refunded Bonds, prior to the sale, the Mayor, with the advice of the City Administrator and the Director of Internal Services, may determine (i) if other moneys become available for the new money projects to reduce the amount issued to pay for such projects, and (ii) to prepay less than the entire outstanding principal amount of any of the Potential Refunded Bonds or not to prepay any series of Potential Refunded Bonds. Subject to any limitation as to prepayment of such Potential Bonds (e.g., the 2007 Bond and the 2008 Bond may only be prepaid in whole by their terms), certain of the Potential Refunded Bonds may be prepaid in part. (Notes: (i) any refunding will be a current refunding because any of the Potential Refunded Bonds actually selected for refunding will be paid off



within 90 days of closing, and (ii) the City's financial advisor will be monitoring market conditions prior to the sale and will make any necessary recommendations about "pulling" out Potential Refunded Bonds if debt service savings opportunities for such bonds diminish. In addition, tax code considerations may dictate that we "pull" one or more series of the Potential Refunded Bonds from the final bond structure.)

- The bonds will be designated "City of Salisbury Public Improvement and Refunding Bonds of 2016" (the "2016 Bonds") and issued in an aggregate principal amount not to exceed \$30,025,000. (Note: The current expectation is that the issue size will be approximately \$24,480,000 or less. We need to authorize a high maximum just in case market conditions move prior to the sale—Davenport & Co. estimated that very high maximum to cover any eventuality.) Authority to apply any unspent proceeds of the Potential Refunded Bonds that are not otherwise encumbered or expected to be spent on the projects for which such bonds were authorized is contained in the Resolution, which could reduce the final amount of the 2016 Bonds actually needed to be issued for refunding purposes. The final par amount of the 2016 Bonds must not violate (i) the debt limit in Charter Section SC7-48 or (ii) limits on the amounts of refunding bonds that may be issued under existing bond authorization ordinances. Any adjustments to the 2016 Bond amortization should take into account the City's desire to "front load" debt service savings with regard to the refunding component, subject to federal tax code limitations. As a "just in case" scenario, the Resolution contemplates that in the event the market moves the wrong way and the City goes ahead with the public sale for just the new money projects, the 2016 Bonds will be designated as the "City of Salisbury Public Improvement Bonds of 2016". (Note: what is much more likely if the market moves the wrong way prior to sale is that the sale will be postponed.)
- Bonds shall be sold in \$5,000 denominations and integral multiples thereof, be registered in book-entry form under the book-entry only registration system maintained by The Depository Trust Company ("DTC") (this means that 2016 Bond purchasers will not receive physical bond certificates evidencing their purchases), and mature on April 1 in the years 2017-2031, inclusive, by serial maturities in the amounts indicated in Section 4(b), subject to adjustment. The amortization schedule set forth in Section 4(b) assumes an issue size of \$24,480,000 and is subject to adjustment pre- and post-sale for the reasons specified in Section 4(c), including to eliminate any maturity dates. (Reasons for pre-sale adjustments include changes in market conditions or a determination that it no longer makes sense to refund any particular Potential Refunded Bonds in whole or in part, either due to tax code considerations or diminished savings opportunities due to market shifts. Post-sale adjustments are authorized because bidders will bid the par amount plus a premium and we do not want the City to end up with more 2016 Bond proceeds than it needs for purposes of the issue.)
- Interest will be payable each April 1 and October 1, commencing April 1, 2017.
- The 2016 Bonds that mature on and after April 1, 2027 are subject to redemption at the option of the City in whole or in part on any date on and after April 1, 2026, at a price of the par amount to be redeemed, plus interest accrued to the redemption date, without premium or penalty. The mechanics for redemption of the 2016 Bonds are set forth in the Resolution.
- Resolution contains standard provisions for execution, registration and transfer of Bonds. The Mayor will execute the 2016 Bonds and the City Clerk will attest to the seal on the 2016 Bonds. The substantially final form of the 2016 Bonds is set forth in Exhibit B and completion of such form is authorized.
- Resolution provides that it is in best interest of City to sell the 2016 Bonds by public sale at competitive bid to the successful bidder determined in accordance with the official Notice of Sale, the form of which is Appendix C to the Preliminary Official Statement. Prior electronic



dissemination of the Notice of Sale is ratified, confirmed and approved. Sale is currently scheduled for July 21, 2016 and will be conducted through an online electronic platform known as BidComp/Parity/www.i-dealprospectus.com. As applicable, the Mayor or the City Administrator, with the advice of the Director of Internal Services and the City's financial advisor and bond counsel, is authorized to make changes to the Notice of Sale (which will be communicated electronically), including determining to postpone the sale date and reschedule if the market moves the wrong way. If sale is postponed, the dated date, maturity dates and redemption dates for the 2016 Bonds may be changed. Either the Mayor or the City Administrator may make the award of the 2016 Bonds and determine which of the Potential Refunded Bonds will actually be refunded (which are then known as the "Refunded Bonds"), which will be done by order.

- Preparation, delivery and approval of the Preliminary Official Statement, the Official Statement and any supplements thereto is provided for. Prior dissemination of the Preliminary Official Statement is ratified, confirmed and approved.
- Manufacturers and Traders Trust Company is selected as Bond Registrar and Paying Agent (the City will make debt service payments to M&TTC, and M&TTC will transmit those payments to bond holders through DTC).
- Because certain of the Potential Refunded Bonds are not subject to prepayment within several days of the 2016 Bond closing (currently scheduled for July 28), the Resolution authorizes use of M&TTC as escrow deposit agent in the event it is determined that a portion of the proceeds of the 2016 Bonds should be set aside and invested in certain U.S. Treasury securities, and authority for making such investments (including using a bidding agent if necessary) is set forth in the Resolution. In addition, if such an escrow is used, authority for a verification consultant (which will verify that the yield on the escrowed securities does not exceed the yield on the 2016 Bonds and that such escrowed securities, together with any cash held uninvested, will be sufficient to pay the Refunded Bonds that are subject to such escrow). (Note: the reasons for containing such authorization in the Resolution relate to federal tax code considerations.)
- Preparation, execution and delivery of a continuing disclosure undertaking per SEC Rule 15c2-12 is provided for.
- Deposit, appropriation and application of the 2016 Bond proceeds is provided for.
- The City's full faith and credit and unlimited taxing power are pledged to payment of debt service on the 2016 Bonds, provided that, City may use other revenues available for such purpose, subject to any federal tax code limitations.
- The Mayor plus either (i) the City Administrator or (ii) the Director of Internal Services are identified as the officials to deliver the tax certificate; the Resolution provides for certain covenants relating to the tax-exempt status of the 2016 Bonds.
- Conditioned upon delivery of the 2016 Bonds, the City elect to prepay those portions of the Potential Refunded Bonds selected as the Refunded Bonds within a time period that will result in a current refunding, taking into consideration the date of closing and allowable prepayment dates. Any of the Mayor, the City Administrator or the Director of Internal Services may give notice of any date selected for prepayment, and any such notice may be given on a conditional basis. The prior giving of certain conditional notices of prepayment (in order to accommodate the expected closing date of July 28 and so that certain of the Potential Refunded Bonds may be prepaid on or shortly after that closing date), is ratified, confirmed and approved.
- The Resolution shall be liberally construed in order to effectuate the contemplated transactions.

Resolution No. 2645

1
2
3 A RESOLUTION OF CITY OF SALISBURY (THE "CITY") AUTHORIZING THE ISSUANCE
4 AND SALE OF A SERIES OF ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE
5 PRINCIPAL AMOUNT NOT TO EXCEED THIRTY MILLION TWENTY-FIVE THOUSAND
6 DOLLARS (\$30,025,000.00) PURSUANT TO THE AUTHORITY OF SECTIONS 19-301 TO
7 19-309, INCLUSIVE, OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED
8 CODE OF MARYLAND (THE "ENABLING ACT"), SECTION 19-207 OF THE LOCAL
9 GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, SECTIONS SC7-
10 45 AND SC7-46 OF THE CHARTER OF THE CITY OF SALISBURY, AND CERTAIN
11 ORDINANCES AND A RESOLUTION IDENTIFIED HEREIN, SUCH BONDS TO BE
12 DESIGNATED AS PROVIDED HEREIN, THE PROCEEDS OF THE SALE THEREOF TO BE
13 USED AND APPLIED FOR THE PUBLIC PURPOSE OF (I) FINANCING OR REIMBURSING
14 COSTS OF CERTAIN PROJECTS IDENTIFIED HEREIN AS THE NEW MONEY PROJECTS
15 AND (II) CURRENTLY REFUNDING IN WHOLE OR IN PART THE OUTSTANDING
16 AMOUNTS OF CERTAIN CITY BONDS IDENTIFIED HEREIN AS THE 2007 BOND, THE
17 2008 BOND, THE 2009 BOND, THE 2011B BOND, THE 2012 BOND, THE 2013 BOND, THE
18 2014A BOND AND THE 2014B BOND, AND PAYING RELATED COSTS; PRESCRIBING
19 THE FORM AND TENOR OF THE BONDS AND THE TERMS, CONDITIONS AND
20 DETAILS FOR THE ISSUANCE AND SALE THEREOF AT PUBLIC SALE BY
21 SOLICITATION OF COMPETITIVE BIDS; AUTHORIZING CERTAIN CITY OFFICIALS TO
22 DETERMINE CERTAIN MATTERS PROVIDED FOR HEREIN IN CONNECTION WITH THE
23 SALE OF THE BONDS AND RATIFYING, CONFIRMING AND APPROVING CERTAIN
24 ACTIONS ALREADY TAKEN ON BEHALF OF THE CITY WITH RESPECT TO THE
25 BONDS; AUTHORIZING AND APPROVING THE PREPARATION AND DISTRIBUTION OF
26 A PRELIMINARY AND A FINAL OFFICIAL STATEMENT, AND ANY AMENDMENTS OR
27 SUPPLEMENTS THERETO, IN CONNECTION WITH THE SALE OF THE BONDS;
28 PROVIDING FOR THE SELECTION OF A BOND REGISTRAR AND PAYING AGENT FOR
29 THE BONDS AND, TO THE EXTENT NECESSARY OR DESIRABLE, AN ESCROW
30 DEPOSIT AGENT, VERIFICATION CONSULTANT AND/OR BIDDING AGENT AND
31 PROVIDING FOR CERTAIN DETERMINATIONS IN ACCORDANCE WITH ANY SUCH
32 ENGAGEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF
33 A CONTINUING DISCLOSURE UNDERTAKING PURSUANT TO SEC RULE 15C2-12 AND
34 COVENANTING TO PROVIDE CONTINUING DISCLOSURE RELATING TO THE BONDS;
35 PROVIDING FOR THE DISBURSEMENT AND INVESTMENT OF THE PROCEEDS OF THE
36 BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF ANY TAXES NECESSARY
37 FOR THE PROMPT PAYMENT OF THE MATURING PRINCIPAL OF AND INTEREST ON
38 THE BONDS; PROVIDING THAT THE FULL FAITH AND CREDIT AND UNLIMITED
39 TAXING POWER OF THE CITY SHALL BE IRREVOCABLY PLEDGED TO THE
40 PAYMENT OF SUCH PRINCIPAL AND INTEREST; PROVIDING THAT THE PRINCIPAL
41 OF AND INTEREST ON THE BONDS ALSO MAY BE PAID FROM ANY OTHER SOURCES
42 OF REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; MAKING
43 CERTAIN COVENANTS AND DETERMINATIONS RELATING TO THE TAX-EXEMPT
44 STATUS OF THE BONDS; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION
45 SHALL BE LIBERALLY CONSTRUED; AND GENERALLY RELATING TO THE

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46 ISSUANCE, SALE, DELIVERY AND PAYMENT OF AND FOR THE BONDS AUTHORIZED
47 HEREBY.

48

49

RECITALS

50 WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland and a
51 municipality within the meaning of the Enabling Act and the Refunding Act identified below
52 (the “City”), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local
53 Government Article of the Annotated Code of Maryland (previously codified as Sections 31 to
54 37, inclusive, of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or
55 amended (the “Enabling Act”), and Sections SC7-45 and SC7-46 of the Charter of the City of
56 Salisbury, as replaced, supplemented or amended (the “Charter”), to borrow money for any
57 proper public purpose and to evidence such borrowing by the issuance and sale of its general
58 obligation bonds; and

59 WHEREAS, pursuant to the authority of the Enabling Act, the Charter and Ordinance
60 No. 2394, passed by the Council of the City (the “Council”) prior to the adoption of this
61 Resolution (as the same may be renumbered prior to passage, referred to herein as “Ordinance
62 No. 2394”), the City authorized the issuance and sale from time to time, upon its full faith and
63 credit, of one or more series of its general obligation bonds in an aggregate principal amount not
64 to exceed \$4,751,500 for the public purpose of financing or reimbursing “costs” (as defined in
65 Ordinance No. 2394) of the public purpose projects identified therein; and

66 WHEREAS, pursuant to the authority of the Enabling Act, the Charter, Ordinance No.
67 2020, passed by the Council on December 11, 2006, approved by the Mayor of the City (the
68 “Mayor”) on December 15, 2006 and effective on December 15, 2006 (“Ordinance No. 2020”), and
69 Resolution No. 1511, adopted by the Council on April 9, 2007, approved by the Mayor on April 10,
70 2007 and effective on April 10, 2007, the City, on April 12, 2007, issued and sold to SunTrust
71 Leasing Corporation its Public Improvements Bond of 2007 in the original principal amount of
72 \$4,950,000 (the “2007 Bond”) in order to finance or reimburse the costs of certain public purpose
73 projects identified in such Resolution, and the 2007 Bond is scheduled to mature on April 1, 2027
74 and bears interest at the rate of 4.03% per annum; and

75 WHEREAS, pursuant to the authority of the Enabling Act, the Charter, Ordinance No.
76 2044, passed by the Council on December 17, 2007, approved by the Mayor on December 19, 2007
77 and effective on December 19, 2007 (“Ordinance No. 2044”), and Resolution No. 1620, adopted by
78 the Council on January 14, 2008, approved by the Mayor on January 15, 2008 and effective on
79 January 15, 2008, the City on January 22, 2008 issued and sold to SunTrust Equipment Finance &
80 Leasing Corporation its Public Improvements Bond of 2008 in the original principal amount of
81 \$3,605,000 (the “2008 Bond”) in order to finance or reimburse the costs of certain public purpose
82 projects identified in such Resolution, and the 2008 Bond is scheduled to mature on February 1,
83 2028 and bears interest at the rate of 4.09% per annum; and

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84 WHEREAS, pursuant to the authority of the Enabling Act, the Charter, Ordinance No.
85 2044, Ordinance No. 2071, passed by the Council on January 26, 2009, approved by the Mayor on
86 January 27, 2009 and effective on January 27, 2009 (“Ordinance No. 2071”), and Resolution No.
87 1850, adopted by the Council on October 26, 2009, approved by the Mayor on October 26, 2009
88 and effective on October 26, 2009, the City on November 6, 2009 issued and sold to Hebron
89 Savings Bank its Public Improvements Bond of 2009 in the original principal amount of \$2,600,000
90 (the “2009 Bond”) in order to finance or reimburse the costs of certain public purpose projects
91 identified in such Resolution, and the 2009 Bond is scheduled to mature on November 1, 2024 and
92 bears interest at the rate of 3.78% per annum; and

93 WHEREAS, pursuant to the authority of the Enabling Act, Section 24 of Article 31 of the
94 Annotated Code of Maryland (now codified as Section 19-207 of the Local Government Article of
95 the Annotated Code of Maryland), as replaced, supplemented or amended (the “Refunding Act”),
96 the Charter, Ordinance No. 2181, passed by the Council on November 28, 2011, approved by the
97 Mayor on November 30, 2011 and effective on November 30, 2011 (“Ordinance No. 2181”), and
98 Resolution No. 2119, adopted by the Council on November 28, 2011, approved by the Mayor on
99 November 30, 2011 and effective on November 30, 2011, as amended and supplemented by
100 Resolution No. 2123, adopted by the Council on December 12, 2011, approved by the Mayor on
101 December 12, 2011 and effective on December 12, 2011, the City on December 13, 2011 issued and
102 sold to SunTrust Bank its Public Improvements Refunding Bond, Series 2011B in the original
103 principal amount of \$4,828,000 (the “2011B Bond”) in order to refund certain loans the City had
104 obtained in 2001 and 2003 from the Maryland Community Development Administration (“CDA”),
105 as identified in such Resolutions, and the 2011B Bond is scheduled to mature on June 1, 2023 and
106 bears interest at the rate of 2.39% per annum, subject to adjustment in certain circumstances as
107 described therein; and

108 WHEREAS, pursuant to the authority of the Enabling Act, the Charter, Ordinance No.
109 2140, passed by the Council on March 14, 2011, approved by the Mayor on March 18, 2011 and
110 effective on March 18, 2011 (“Ordinance No. 2140”), and Resolution No. 2160, adopted by the
111 Council on April 23, 2012, approved by the Mayor on April 24, 2012 and effective on April 24,
112 2012, the City on May 3, 2012 issued and sold to SunTrust Bank its Public Improvements Bond of
113 2012 in the original principal amount of \$7,693,000 (the “2012 Bond”) in order to finance or
114 reimburse the costs of certain public purpose projects identified in such Resolution, and the 2012
115 Bond is scheduled to mature on May 1, 2027 and bears interest at the rate of 2.52% per annum,
116 subject to adjustment in certain circumstances as described therein; and

117 WHEREAS, pursuant to the authority of the Enabling Act, the Charter, Ordinance No.
118 2273, passed by the Council on December 16, 2013, approved by the Mayor on December 16, 2013
119 and effective on December 16, 2013 (“Ordinance No. 2273”), and Resolution No. 2358, adopted by
120 the Council on December 16, 2013, approved by the Mayor on December 16, 2013 and effective on
121 December 16, 2013, the City on December 23, 2013 issued and sold to Hebron Savings Bank its
122 Public Improvements Bond of 2013 in the original principal amount of \$3,178,000 (the “2013
123 Bond”) in order to finance or reimburse the costs of certain public purpose projects identified in

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124 such Resolution, and the 2013 Bond is scheduled to mature on July 1, 2028 and bears interest at the
125 rate of 2.96% per annum; and

126 WHEREAS, pursuant to the authority of the Enabling Act, the Charter, Ordinance No.
127 2299, passed by the Council on August 25, 2014, approved by the Mayor on August 28, 2014 and
128 effective on August 28, 2014 (“Ordinance No. 2299”), and Resolution No. 2448, adopted by the
129 Council on September 22, 2014, approved by the Mayor on September 22, 2014 and effective on
130 September 22, 2014 (“Resolution No. 2448”), the City on September 26, 2014 issued and sold to
131 STI Institutional & Government, Inc. its Public Improvements Bond, Series 2014A in the original
132 principal amount of \$4,009,000 (the “2014A Bond”) in order to finance or reimburse the costs of
133 certain public purpose projects identified in such Resolution, and the 2014A Bond is scheduled to
134 mature on April 1, 2029 and bears interest at the rate of 2.85%, subject to adjustment in certain
135 circumstances as described therein; and

136 WHEREAS, pursuant to the authority of the Enabling Act, the Refunding Act, the Charter,
137 Ordinance No. 2300, passed by the Council on August 25, 2014, approved by the Mayor on August
138 28, 2014 and effective on August 28, 2014 (“Ordinance No. 2300”), and Resolution No. 2448, the
139 City on September 26, 2014 issued and sold to STI Institutional & Government, Inc. its Public
140 Improvements Refunding Bond, Series 2014B in the original principal amount of \$2,754,364.73
141 (the “2014B Bond”) in order to refund certain loans the City had obtained in 2004 from CDA as
142 identified in such Resolution, and the 2014B Bond is scheduled to mature on April 1, 2024 and
143 bears interest at the rate of 2.53%, subject to adjustment in certain circumstances as described
144 therein; and

145 WHEREAS, in addition to the purposes described above, proceeds of the 2007 Bond, the
146 2008 Bond, the 2009 Bond, the 2011B Bond, the 2012 Bond, the 2013 Bond, the 2014A Bond and
147 the 2014B Bond, to the extent applicable, were also applied to finance or reimburse costs of
148 issuance of such bonds; and

149 WHEREAS, certain of Ordinance No. 2020, Ordinance No. 2044, Ordinance No. 2071,
150 Ordinance No. 2181, Ordinance No. 2140, Ordinance No. 2273, Ordinance No. 2299 and
151 Ordinance No. 2300, together with any other applicable ordinances of the City, have been amended
152 or supplemented from time to time since the respective dates of their original enactment
153 (collectively, the “Refunding Ordinances”), together with, as applicable, amendments or
154 supplements to any of the applicable Resolutions referred to in the preceding WHEREAS clauses,
155 in order to provide for the re-allocation of proceeds of the 2007 Bond, the 2008 Bond, the 2009
156 Bond, the 2012 Bond, the 2013 Bond or the 2014A Bond, as applicable, among the projects for the
157 purposes for which such bonds were originally issued or to additional or alternative projects; and

158 WHEREAS, the Refunding Ordinances collectively authorize the City to issue general
159 obligation bonds in one or more series from time to time pursuant to the authority of the Enabling
160 Act, the Refunding Act and the Charter in order to currently refund or advance refund in whole or in
161 part the outstanding 2007 Bond, 2008 Bond, 2009 Bond, 2011B Bond, 2012 Bond, 2013 Bond,

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162 2014A Bond and 2014B Bond, as applicable, subject to any limitations set forth in the Refunding
163 Ordinances; and

164 WHEREAS, each of the 2007 Bond, the 2008 Bond, the 2009 Bond, the 2011B Bond, the
165 2012 Bond, the 2013 Bond, the 2014A Bond and the 2014B Bond by its terms is subject to
166 redemption upon the terms set forth in such respective bonds under conditions that would allow the
167 City to effect a current refunding in whole or in part of such bonds; and

168 WHEREAS, Ordinance No. 2394 and each of the Refunding Ordinances provides that
169 details relating to any general obligation bonds or general obligation refunding bonds authorized
170 thereby shall be determined or provided for by resolution of the Council; and

171 WHEREAS, Davenport & Company LLC, the financial advisor to the City, has
172 determined that, subject to shifts in market conditions, the City should be able to achieve debt
173 service savings by currently refunding in whole or in part the outstanding 2007 Bond, 2008
174 Bond, 2009 Bond, 2011B Bond, 2012 Bond, 2013 Bond, 2014A Bond and/or 2014B Bond, and
175 has recommended that the City pursue the issuance and sale of a single series of general
176 obligation bonds at public sale by solicitation of competitive bids in order to finance or
177 reimburse the costs of the projects authorized by Ordinance No. 2394 and currently refund in
178 whole or in part the outstanding 2007 Bond, 2008 Bond, 2009 Bond, 2011B Bond, 2012 Bond,
179 2013 Bond, 2014A Bond and/or 2014B Bond, and to pay costs of issuance of such borrowing;
180 and

181 WHEREAS, the Council has determined that it is in the best interests of the City and its
182 citizens to issue and sell a single series of general obligation combined new money and refunding
183 bonds for the purposes described in the preceding WHEREAS clause, upon the terms and
184 conditions set forth in this Resolution, the proceeds of which bonds are to be used and applied as
185 herein set forth.

186 SECTION 1. NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
187 THE CITY OF SALISBURY, MARYLAND that:

188 (a) The Recitals hereto constitute an integral part of this Resolution and are incorporated
189 herein by reference. Capitalized terms used in the Recitals and defined therein that are not
190 otherwise defined in the remaining Sections of this Resolution shall have the meanings given to
191 such terms in the Recitals.

192 (b) References in this Resolution to any official by title shall be deemed to refer (i) to
193 any official authorized under the Charter, the code of City ordinances (the "City Code") or other
194 applicable law or authority to act in such titled official's stead during the absence or disability of
195 such titled official, (ii) to any person who has been elected, appointed or designated to fill such
196 position in an acting capacity under the Charter, the City Code or other applicable law or authority,
197 (iii) to any person who serves in a "Deputy", "Associate" or "Assistant" capacity as such an official,
198 provided that the applicable responsibilities, rights or duties referred to herein have been delegated

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199 to such deputy or assistant in accordance with the Charter, the City Code or other applicable law or
200 authority, and/or (iv) to the extent an identified official commonly uses another title not provided for
201 in the Charter or the City Code, the official, however known, who is charged under the Charter, the
202 City Code or other applicable law or authority with the applicable responsibilities, rights or duties
203 referred to herein.

204 (c) To the extent this Resolution does not specifically identify how any responsibility,
205 right, power or duty delegated to the Mayor, the City Administrator of the City (the “City
206 Administrator”) or the Director of Internal Services of the City (the “Director of Internal Services”)
207 by the terms hereof shall be evidenced, any such exercise may be evidenced conclusively by the
208 execution and delivery by the Mayor, the City Administrator or the Director of Internal Services of
209 an order with respect thereto.

210 (d) References in this Resolution to the successful bidder for the Bonds are deemed to
211 be to multiple successful bidders in the event the Bonds are allocated among bidders in
212 accordance with the official Notice of Sale provided for in Section 9 hereof.

213 SECTION 2. BE IT FURTHER RESOLVED that:
214

215 (a) Subject to the further provisions of this Section 2, pursuant to the authority of the
216 Enabling Act, the Charter and Ordinance No. 2394, the City hereby determines to borrow money
217 and incur indebtedness for the public purpose of financing or reimbursing costs (as defined in
218 subsection (b) below) of the following public purpose projects in the maximum principal amount set
219 forth opposite each such project (exclusive of any premium realized upon sale or any investment
220 earnings that may be applied for such purposes):
221

222 [CONTINUED ON FOLLOWING PAGE]
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	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Spine Rail Trail	\$150,000
2.	Community Centers	500,000
3.	Riverside Circle	175,000
4.	Service Center Facility Plan Phase 1	102,000
5.	E-7 Inspector's Truck	30,000
6.	S-14 2001 F-150 Dump Truck	48,500
7.	S-32 Hot Patch Trailer Improvements	40,000
8.	Replacement of 1998 Roller	50,000
9.	Lemmon Hill Standpipe	100,000
10.	Fitzwater Street Lift Station – Phase II	2,690,000
11.	Belt Filter Press Rehabilitation	357,000
12.	Dump Truck	90,000
13.	Dump Truck WWTP	90,000
14.	Parking Garage Façade and Landscaping	200,000
15.	Aquatic Weed Harvester with Unloading Conveyor	129,000
	TOTAL	<u>\$4,751,500.00</u>

227

228 The projects identified in items 1-15 above are collectively referred to herein as the “New Money
229 Projects” and individually as a “New Money Project”. The City, without notice to or the consent of
230 any registered owners of the Bonds (as defined in Section 3 below) may reallocate the maximum
231 principal amount of the Bonds to be spent among any of the New Money Projects in compliance
232 with applicable budgetary procedures or applicable law, including, to the extent applicable, by
233 resolution. Further, it is the intention of the Council that proceeds of the Bonds may be spent on
234 any applicable costs (as defined as defined in subsection (b) below) relating to the New Money
235 Projects identified in items 1-15 above, notwithstanding the descriptive names used for such New
236 Money Projects in the table above, including, without limitation, changes in scopes of the New
237 Money Projects identified above effected through applicable budgetary procedures or applicable
238 law.

239

240 (b) With respect to the New Money Projects listed above, the word “costs” shall
241 include, as applicable, land and right-of-way acquisition and development; site and utility
242 improvements, including, without limitation, grading, landscaping, paving, sidewalk, curb, gutter,
243 storm drain, water and sewer improvements, and related or similar activities and expenses;
244 demolition, razing and removal; acquisition, construction, expansion, reconstruction, replacement,
245 renovation, rehabilitation, improvement, installation, furnishing and equipping activities and
246 expenses, and related or similar activities and expenses; planning, design, engineering, architectural,

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247 feasibility, bidding, inspection, construction management, surveying, permitting, financial and legal
248 expenses, and related or similar activities and expenses; costs of issuance (which may include costs
249 of bond insurance or other credit or liquidity enhancement); interest during construction and for a
250 reasonable period thereafter (whether or not expressly so stated); and any such costs that may
251 represent the City's share or contribution to the financing, reimbursement or refinancing of any such
252 project.

253
254 (c) Notwithstanding the provisions of subsection (a) above, in the event the Mayor, with
255 the assistance of the City Administrator and the Director of Internal Services, determines prior to the
256 sale of the Bonds that other moneys are available or are substantially likely to be available to pay
257 any portion of the costs of any one or more of the New Money Projects, or that a tax issue exists
258 with respect to any of the New Money Projects, the Mayor is hereby authorized and empowered, on
259 behalf of the City, to determine to reduce and/or eliminate the maximum principal amount of
260 proceeds of the Bonds to be applied to the costs of any one or more of the New Money Projects
261 identified in subsection (a) above (exclusive of any premium realized upon sale and any investment
262 earnings that may be applied for such purpose). Any such reduction or elimination in the maximum
263 principal amount of proceeds of the Bonds to be applied to costs of any such New Money Project
264 (exclusive of any premium realized upon sale and any investment earnings that may be applied for
265 such purpose), shall be evidenced conclusively by the Mayor's execution and delivery of the
266 Section 148 Certificate provided for in Section 16 hereof. The Mayor is also hereby authorized, but
267 not required, to execute an order providing for such reduction or elimination.

268
269 (d) Subject to the further provisions of this Section 2, pursuant to the authority of the
270 Enabling Act, the Refunding Act, the Charter and the Refunding Ordinances, the City hereby
271 determines to borrow money and incur indebtedness for the public purpose of (i) currently
272 refunding all or a portion of the outstanding maturities of the 2007 Bond, the 2008 Bond, the 2009
273 Bond, the 2011B Bond, the 2012 Bond, the 2013 Bond, the 2014A Bond and the 2014B Bond
274 identified on Exhibit A hereto (collectively, the "Potential Refunded Bonds") and, in connection
275 therewith, paying interest on any such Potential Refunded Bonds to their respective prepayment
276 dates, and, on the available prepayment dates, paying the principal of and accrued interest due on
277 such callable Potential Refunded Bonds on such prepayment dates as reflected on Exhibit A hereto
278 (subject to Section 17 of this Resolution), for the public purpose of realizing savings in the
279 aggregate cost of debt service on a direct comparison or present value basis or, to the extent such
280 debt service savings is not achievable with respect to any particular Potential Refunded Bonds, to
281 achieve a debt restructuring that in the aggregate effects such a reduction in the cost of debt service
282 or is in the best interests of the City, is consistent with the City's long-term financial plan, and
283 realizes a financial objective of the City, as contemplated in the Refunding Act, and (ii) paying a
284 portion of the related costs of issuance of the Bonds identified in Section 3 hereof. The financial
285 advisor to the City prepared Exhibit A hereto. Exhibit A is intended to reflect the current
286 outstanding principal amounts of the 2007 Bond, the 2008 Bond, the 2009 Bond, the 2011B Bond,
287 the 2012 Bond, the 2013 Bond, the 2014A Bond and/or the 2014B Bond in whole. In the event it is
288 determined prior to the sale of the Bonds that such Exhibit A does not accurately reflect the current
289 outstanding principal amounts of the 2007 Bond, the 2008 Bond, the 2009 Bond, the 2011B Bond,

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290 the 2012 Bond, the 2013 Bond, the 2014A Bond and the 2014B Bond in whole, the official making
291 the award of the Bonds pursuant to Section 9 hereof is hereby authorized and empowered on behalf
292 of the City to include within the Potential Refunded Bonds considered for refunding in connection
293 with the sale of the Bonds any missing principal amounts and/or principal installments of such
294 outstanding Potential Refunded Bonds and, in such case, references in this Resolution to the
295 Potential Refunded Bonds shall be construed to include any such missing principal amounts and/or
296 principal installments.

297
298 (e) It is the current intention of the Council, subject to market conditions or
299 considerations provided for in subsection (f) below, to refund all of the Potential Refunded Bonds
300 identified on Exhibit A hereto and to prepay the Potential Refunded Bonds on their respective
301 earliest available prepayment dates as identified on Exhibit A hereto, subject to the further
302 provisions of this Section 2 and Section 17 hereof. Notwithstanding such expressed intention, in the
303 event the Mayor, with the advice of the Director of Internal Services, bond counsel to the City and
304 the financial advisor to the City, determines from time to time prior to the sale of the Bonds that
305 sufficient savings cannot be achieved or the goals of the Refunding Act will not be met by
306 refunding all or a portion of any maturity of the Potential Refunded Bonds identified on Exhibit
307 A hereto, or tax considerations dictate that all or a portion of any maturity or maturities of the
308 Potential Refunded Bonds should not be refunded, such official may adjust the aggregate
309 principal amount of the Bonds provided for in Section 4 hereof upward or downward (and
310 correspondingly adjust one or more of the principal amounts of the Bonds set forth in Section 4
311 hereof or provided for in Section 4 hereof upward or downward in order to reflect such overall
312 upward or downward adjustment in the aggregate principal amount of the Bonds), and such
313 adjustment shall be communicated in accordance with the provisions of the official Notice of
314 Sale provided for in Section 9 hereof.

315
316 (f) In addition, in the event the Mayor, with the advice of the Director of Internal
317 Services, bond counsel to the City and the financial advisor to the City, determines from time to
318 time prior to the sale of the Bonds that sufficient savings cannot be achieved or the goals of the
319 Refunding Act will not be met by refunding any of the Potential Refunded Bonds identified on
320 Exhibit A hereto, or tax considerations dictate that none of the Potential Refunded Bonds
321 identified on Exhibit A hereto should be refunded, such official, subject to the limitations
322 provided for in Sections 3 and 4 hereof, may adjust the aggregate principal amount of the Bonds
323 provided for in Section 4 hereof downward (and correspondingly adjust one or more of the
324 principal amounts of the Bonds set forth in Section 4 hereof or provided for in Section 4 hereof
325 upward or downward in order to reflect such overall downward adjustment in the aggregate
326 principal amount of the Bonds) and the fact that no portion of the Bonds shall be applied to
327 refunding any of the Potential Refunded Bonds identified on Exhibit A hereto, and such
328 adjustment shall be communicated in accordance with the provisions of the official Notice of
329 Sale provided for in Section 9 hereof. In such event, all provisions of this Resolution relating to
330 the issuance of the Bonds for refunding purposes and the refunding, payment and/or prepayment
331 of the Potential Refunded Bonds shall be construed to be inapplicable.

332

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333 (g) The final actual maturities or portions of maturities of the Potential Refunded
334 Bonds identified on Exhibit A hereto to be refunded from proceeds of the Bonds, if any (the
335 “Refunded Bonds”), shall be determined in conjunction with the award of the Bonds provided
336 for in Section 9 hereof, by the execution and delivery by any authorized official making such
337 award on behalf of the City of an order providing therefor.
338

339 SECTION 3. BE IT FURTHER RESOLVED that:
340

341 (a) To evidence the borrowing and indebtedness authorized in Section 2 of this
342 Resolution, the City, acting pursuant to the authority of the Enabling Act, the Refunding Act, the
343 Charter, Ordinance No. 2394 and/or the Refunding Ordinances, as applicable, hereby determines to
344 issue and sell, upon its full faith and credit, a single series of its general obligation new money and
345 refunding bonds in the maximum aggregate principal amount of Thirty Million Twenty-five
346 Thousand Dollars (\$30,025,000.00), to be designated as “City of Salisbury Public Improvement and
347 Refunding Bonds of 2016” (the “Bonds”); provided that, if none of the Potential Refunded Bonds
348 are determined to be refunded in accordance with the provisions of Section 2 of this Resolution
349 prior to or at the sale of the Bonds, the Bonds shall be known as the “City of Salisbury Public
350 Improvement Bonds of 2016” and shall not be deemed to have been issued under authority of the
351 Refunding Act or the Refunding Ordinances (by either such designation, the “Bonds” and
352 individually a “Bond”). The proceeds of the sale of the Bonds shall be used and applied as
353 provided in this Resolution.
354

355 (b) Notwithstanding the provisions of subsection (a) above, the aggregate par amount
356 of the Bonds issued for purposes of financing or reimbursing costs of the New Money Projects
357 shall not exceed \$4,751,500.00, and the aggregate par amount of the Bonds issued for purposes
358 of refunding the Refunded Bonds and financing or reimbursing allocable costs of issuance for
359 such purpose shall not exceed the collective aggregate limitations provided for in the applicable
360 Refunding Ordinances. In addition, in no event shall the aggregate par amount of the Bonds as
361 issued exceed the debt limit provided for in Section SC7-48 of the Charter.
362

363 (c) Proceeds of the Bonds are hereby considered appropriated and allocated (i) to pay
364 costs of the New Money Projects in the maximum principal amount specified for each New Money
365 Project in Section 2(a) above (exclusive of any premium realized upon sale or investment earnings
366 that may be applied for such purposes), subject to adjustments as to such amounts as provided for in
367 this Resolution and (ii) to the refunding of the Refunded Bonds and the payment of allocable costs
368 of issuance. In addition, the City is hereby authorized and empowered to apply to the refunding of
369 the Refunded Bonds any unencumbered proceeds of the Refunded Bonds remaining unspent that
370 are not otherwise reasonably expected to be applied to the purposes for which such Refunded Bonds
371 were originally issued.
372

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373 SECTION 4. BE IT FURTHER RESOLVED that:

374 (a) Subject to the provisions of Section 9 hereof, the Bonds shall be sold in
 375 denominations of \$5,000 and integral multiples thereof, shall be dated the date of their delivery and
 376 shall be issued initially in book-entry only form as fully-registered bonds, without coupons attached,
 377 by issuing a single bond for each maturity registered in the name of Cede & Co., as partnership
 378 nominee for The Depository Trust Company, New York New York, or its successor (“DTC”);
 379 provided that, if DTC so requests, or a system of book-entry only registration is discontinued for the
 380 Bonds, replacement bonds shall be issued in denominations of \$5,000 and integral multiples thereof
 381 and shall be consecutively numbered in such manner as shall be determined by the Bond Registrar
 382 and Paying Agent (as defined in Section 11 of this Resolution).

383 (b) Subject to the further provisions of this Section 4 and the provisions of Section 9
 384 hereof, the Bonds shall mature in annual serial maturities as designated by the successful bidder for
 385 the Bonds in accordance with the official Notice of Sale provided for in Section 9 hereof, subject to
 386 prior redemption at the option of the City as described in Section 5 hereof, as determined by the
 387 applicable City official provided for in Section 9 hereof upon the sale of the Bonds in accordance
 388 with the provisions of this Resolution. It has been recommended by the financial advisor to the City
 389 that the preliminary maturity schedule for the Bonds shall be for an aggregate principal amount of
 390 Twenty-four Million Four Hundred Eighty Thousand Dollars (\$24,480,000.00), as follows:

<u>Maturing (April 1)</u>	<u>Principal Amount</u>	<u>Maturing (April 1)</u>	<u>Principal Amount</u>
2017	\$1,005,000	2025	\$1,740,000
2018	2,055,000	2026	1,795,000
2019	2,220,000	2027	1,750,000
2020	2,345,000	2028	955,000
2021	2,440,000	2029	830,000
2022	2,370,000	2030	270,000
2023	2,440,000	2031	275,000
2024	1,990,000		

391 The aggregate principal amount of the Bonds and the aggregate principal amount of each
 392 maturity of the Bonds set forth above is subject to adjustment prior to sale as provided in Section
 393 4(c) hereof and in the official Notice of Sale provided for in Section 9 hereof. In addition, the
 394 aggregate principal amount of the Bonds and the aggregate principal amount of each maturity of
 395 the Bonds is subject to adjustment following receipt of bids for the Bonds in accordance with the
 396 official Notice of Sale provided for in Section 9 hereof. Any such adjustments to the aggregate
 397 principal amount of the Bonds is subject to the maximum principal amount of the Bonds
 398 provided for in Section 3(b) of this Resolution. Any such adjustments to the amortization
 399 schedule for the Bonds may result in the elimination of any specified serial maturity dates.

400 (c) The Mayor or the City Administrator, on behalf of the City, with the advice of the
 401 Director of Internal Services, the financial advisor to the City and bond counsel to the City, is

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402 hereby authorized from time to time prior to the sale of the Bonds to adjust the amortization
403 schedule set forth in this Section 4 for the Bonds in order to (i) correct typographical or
404 calculation errors, (ii) make adjustments to reflect then current market conditions, (iii) increase
405 or decrease the aggregate principal amount of the Bonds as contemplated by Sections 2, 3 or 4 of
406 this Resolution, and to correspondingly adjust one or more of the principal amounts of the serial
407 maturities provided for in the foregoing amortization schedule upward or downward, in order,
408 among other authorized purposes, to reduce the principal amount of the Bonds to be applied to
409 the New Money Projects, take into consideration unspent proceeds of the Refunded Bonds
410 available to be applied to the refunding of the Refunded Bonds as contemplated by Section 3(c)
411 of this Resolution, maximize debt service savings and/or achieve specific debt restructuring
412 goals with respect to the refunding of the Refunded Bonds, if any, or to balance the amortization
413 of that portion of the debt service on the Bonds allocable to the New Money Projects and related
414 costs with that portion of the debt service on the Bonds allocable for refunding purposes or to
415 reflect any other determinations made in accordance with Sections 2, 3, 4 or 17 hereof, (iv)
416 reflect that no portion of the outstanding principal amount of the 2007 Bond, the 2008 Bond, the
417 2009 Bond the 2011B Bond, the 2012 Bond, the 2013 Bond, the 2014A Bond or the 2014B Bond
418 will be finally included among the Refunded Bonds, (v) reflect that no portion of any of the
419 Potential Refunded Bonds will be refunded from proceeds of the Bonds (in which case the Bonds
420 will be issued solely for purposes of financing or reimbursing costs of the New Money Projects),
421 and/or (vi) address other financial considerations impacting the City or tax code considerations
422 (including, without limitation, taking into account other debt service obligations of the City).
423 Notwithstanding the foregoing, it is the intention of the Council that the amortization of the
424 Bonds be structured to front load, to the maximum extent possible, within federal tax code
425 limitations, debt service savings achieved with respect to the refunding of any of the Refunded
426 Bonds. Any such adjustments contemplated by this Section 4(c) shall be communicated in
427 accordance with the provisions of the official Notice of Sale provided for in Section 9 hereof.

428 (d) The Bonds shall bear interest at the rate or rates named by the successful bidder
429 therefor in accordance with the terms of the official Notice of Sale provided for in Section 9 of this
430 Resolution and as approved by the Mayor's or the City Administrator's execution and delivery of an
431 order or orders upon award of the Bonds. Subject to the provisions of Section 9 hereof, interest on
432 the Bonds shall be payable on April 1, 2017 and semi-annually thereafter on each October 1 and
433 April 1 until maturity or prior redemption. Interest payments due on the Bonds shall be made to the
434 registered owners thereof who are the registered owners of record as of the 15th day of the calendar
435 month immediately preceding the month in which each interest payment date occurs. The Bonds
436 shall bear interest from the most recent date to which interest has been paid or, if no interest has
437 been paid, from their dated date. Interest shall be computed on the basis of a 360-day year
438 consisting of 12 30-day months.

439 (e) The principal or redemption price of the Bonds shall be payable at the office
440 designated by the Bond Registrar and Paying Agent identified in Section 11 hereof. Interest on the
441 Bonds shall be payable by check or draft of the Bond Registrar and Paying Agent mailed to the
442 owners thereof; provided that, so long as the Bonds are registered in book-entry form under a book-

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443 entry only system maintained by DTC, any successor thereto or any replacement securities
444 depository (the “Securities Depository”), payments of the principal or redemption price of and
445 interest on the Bonds shall be made as required by the rules and regulations of such Securities
446 Depository.

447 SECTION 5. BE IT FURTHER RESOLVED that:

448 (a) Subject to the provisions of Section 9 hereof, the Bonds maturing on or after April
449 1, 2027 shall be subject to redemption prior to maturity at the option of the City, as a whole or in
450 part, on any date on or after April 1, 2026, in the order of maturity directed by the City, at a
451 redemption price of the par amount to be redeemed, plus interest accrued to the date fixed for
452 redemption, without penalty or premium.

453 (b) If fewer than all of the outstanding Bonds shall be called for optional redemption,
454 the City shall choose the maturities to be redeemed and the principal amount of each such
455 maturity in its sole discretion. If fewer than all of the Bonds of any one maturity shall be called
456 for optional redemption, the particular Bonds or portions thereof to be redeemed from such
457 maturity shall be selected by lot by the Bond Registrar and Paying Agent; provided that, so long
458 as the Bonds are registered in the name of a Securities Depository or its nominee, such selection
459 shall be made by such Securities Depository in accordance with its rules and regulations.

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

467 (d) When Bonds are to be redeemed, the City shall give or cause to be given to the
468 registered owners of the Bonds to be redeemed in whole or in part a redemption notice by letter
469 mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption
470 to the addresses of such registered owners appearing on the registration books kept by the Bond
471 Registrar and Paying Agent; provided, however, that the failure to mail a redemption notice or
472 any defect in a notice so mailed, or in the mailing thereof, shall not affect the validity of the
473 redemption proceedings. The redemption notice shall identify the Bonds to be redeemed in
474 whole or in part and shall state (i) whether such Bonds are to be redeemed in whole or in part
475 and, if in part, the maturities, numbers, principal amounts, interest rates and CUSIP numbers of
476 the Bonds to be redeemed, (ii) that the interest on the Bonds (or portions thereof) to be redeemed
477 shall cease to accrue on the date fixed for redemption, (iii) the date fixed for redemption, (iv) the
478 address of the office of the Bond Registrar and Paying Agent with a contact person and phone
479 number, and (v) that the Bonds to be redeemed in whole or in part shall be presented for
480 redemption and payment on the date fixed for redemption at the designated office of the Bond
481 Registrar and Paying Agent. Such notice may state that it is conditioned upon receipt of

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482 sufficient funds to effect such redemption by the date fixed for redemption. Notwithstanding
483 anything to the contrary contained in this subsection (d), so long as the Bonds to be redeemed are
484 registered in book-entry only form with a Securities Depository, any redemption notice relating
485 to such Bonds shall be given in the manner and at the time required by the rules and regulations
486 of such Securities Depository.

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

495 SECTION 6. BE IT FURTHER RESOLVED that the Bonds shall be executed in the name
496 of the City and on its behalf by the Mayor, by manual or facsimile signature. The corporate seal of
497 the City shall be affixed to the Bonds (manually or by facsimile) and attested by the signature of the
498 City Clerk of the City (the “City Clerk”), by manual or facsimile signature. The Bonds shall be
499 issued subject to registration as to principal and interest in the name of the owner or owners thereof
500 on the books kept for registration and registration of transfer of the Bonds at the designated office of
501 the Bond Registrar and Paying Agent. The Bonds shall be authenticated by the manual signature of
502 an authorized officer of the Bond Registrar and Paying Agent. The Bonds shall not be valid for any
503 purpose or constitute an obligation of the City unless so authenticated. In the event any official of
504 the City whose signature appears on the Bonds shall cease to be such official prior to the delivery of
505 the Bonds, or, in the event any such official whose signature appears on the Bonds shall have
506 become such after the date of issue thereof, the Bonds shall nevertheless be valid and binding
507 obligations of the City in accordance with their terms.

508
509 SECTION 7. BE IT FURTHER RESOLVED that:

510 (a) The Bonds shall be transferable only upon the registration books at the designated
511 office of the Bond Registrar and Paying Agent and by the registered owner in person, or by his duly
512 authorized attorney in writing, upon surrender thereof, together with a written instrument of transfer
513 in the form attached thereto and satisfactory to the Bond Registrar and Paying Agent and duly
514 executed by the registered owner thereof in person, or by his attorney duly authorized in writing, but
515 no Bonds will be transferred unless the Security Depository then in place determines to discontinue
516 providing its services as a securities depository or directs that the Bonds be re-registered in a
517 different name or denomination, or unless the Securities Depository then in place is removed.

518 (b) The Bonds may be transferred or exchanged at the designated office of the Bond
519 Registrar and Paying Agent. Upon any such transfer or exchange, the City shall issue, and the Bond
520 Registrar and Paying Agent shall authenticate and deliver, a new registered Bonds or Bonds in
521 authorized denomination or denominations equal to the aggregate principal amount of the Bonds

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522 transferred or exchanged, of the same series, with the same maturity date, and bearing interest at the
523 same rate. In each case, the Bond Registrar and Paying Agent may require payment by the
524 registered owner requesting such transfer or exchange of any tax, fee or other governmental charge,
525 shipping charges or insurance that may be required to be paid with respect to such transfer or
526 exchange, but otherwise no charge shall be made to the registered owner for such transfer or
527 exchange.

528 (c) The Bond Registrar and Paying Agent shall not be required to transfer or exchange
529 any Bonds after the mailing or giving of notice of call of such Bonds for redemption in whole or in
530 part.

531 SECTION 8. BE IT FURTHER RESOLVED that except as provided hereinafter or in a
532 resolution or resolutions of the Council adopted prior to the issuance of the Bonds, the Bonds shall
533 be issued in substantially the form attached hereto as Exhibit A and incorporated by reference
534 herein. Appropriate variations and insertions may be made by the Mayor, with the advice of the
535 City Administrator and the Director of Internal Services, to reflect determinations made in
536 accordance with, among other Sections, Sections 2, 3, 4 and 9 of this Resolution, to identify the
537 Ordinances serving as authority for issuance of the Bonds, to provide names, dates, numbers and
538 amounts, to comply with recommendations of legal counsel, as required by any rating agency as a
539 condition precedent to, or as otherwise related to, obtaining a rating of the Bonds from such rating
540 agency, or to make other modifications not specifically provided for herein that do not materially
541 alter the substance of the Bonds. All of the covenants contained in the form attached hereto as
542 Exhibit A, as such form shall be finally completed for the Bonds and executed in accordance with
543 this Section 8, are hereby adopted by the City as and for the form of obligations to be incurred by
544 the City, and the covenants and conditions contained therein are hereby made binding upon the
545 City, including the promise to pay therein contained. The execution and delivery of the Bonds by
546 the Mayor in accordance with this Resolution shall be conclusive evidence of the approval by the
547 Mayor (with the advice of the City Administrator and the Director of Internal Services) of the final
548 form of the Bonds and any variations, insertions, omissions, notations, legends or endorsements
549 authorized by this Resolution. To the extent there are any inconsistencies between the provisions of
550 the Bonds, as executed and delivered in accordance with the provisions of this Section 8, and the
551 provisions of this Resolution, the provisions of the Bonds shall control.

552
553 SECTION 9. BE IT FURTHER RESOLVED that:

554 (a) The City has determined that it shall be in the best interests of the City to sell the
555 Bonds by the solicitation of competitive bids at public sale.

556 (b) Electronic bids shall be received until 11:00 a.m. prevailing Eastern time on the
557 date fixed for sale (such time to be determined as provided by Parity®). Sale will be held on
558 July 21, 2016 or such later date as may be designated by the Mayor on behalf of the City or, in
559 his absence or disability, by the City Administrator or the Director of Internal Services, by
560 communicating such decision in accordance with the further provisions of this Section 9. The
561 Mayor or, in his absence or disability, the City Administrator or the Director of Internal Services,

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562 on behalf of the City, with the advice of the financial advisor to the City, is hereby authorized
563 from time to time to postpone and reschedule the date of sale.

564 (c) Either the Mayor or the City Administrator, with the advice of the Director of
565 Internal Services, the financial advisor to the City and bond counsel to the City, on behalf of the
566 City, shall conduct the sale and shall sell the Bonds in the name of the City and on its behalf for
567 cash at no less than par (and within any premium limitations provided for in the official Notice
568 of Sale with respect to the Bonds) to the bidder whose bid is determined to be the best
569 responsible bid received in compliance with the terms and conditions of the official Notice of
570 Sale. Upon receipt of the bids for the Bonds, either of the Mayor or the City Administrator is
571 hereby authorized and empowered to reject the bids for the Bonds if such official determines
572 with the advice of the Director of Internal Services and the financial advisor to the City that such
573 action is in the City's best interest. Either the Mayor or the City Administrator, with the advice
574 of the Director of Internal Services, the financial advisor to the City and bond counsel to the
575 City, is authorized to adjust the aggregate principal amount of the Bonds following receipt of
576 bids, and the amortization schedule therefor, in accordance with Section 4 hereof and the official
577 Notice of Sale and to determine which portion, if any, of the outstanding Potential Refunded
578 Bonds shall be currently refunded from proceeds of the Bonds (and therefore constitute the
579 Refunded Bonds). The sale of the Bonds shall be made upon order or orders of award signed by
580 the Mayor or the City Administrator, and such order or orders shall identify which portions, if
581 any, of the Potential Refunded Bonds are to be refunded in whole or in part. The award of, or
582 rejection of all bids for, the Bonds may also be reflected on BiDCOMP/Parity®/www.i-
583 dealprospectus.com. Any award of the Bonds shall be subject to receipt of the good faith deposit
584 therefor in accordance with the provisions of the official Notice of Sale, and if such good faith
585 deposit is not so received, the Mayor or the City Administrator shall have the right to withdraw the
586 award; any such withdrawal of an award of the Bonds may also be reflected on
587 BiDCOMP/Parity®/www.i-dealprospectus.com.

588 (d) As authorized by Section SC7-46 of the Charter, public notice of the sale was
589 disseminated electronically through inclusion of the official Notice of Sale as Appendix C to the
590 Preliminary Official Statement for the Bonds dated July 13, 2016 that was published on [www.i-
591 dealprospectus.com](http://www.i-dealprospectus.com), and the Council hereby ratifies, confirms and approves such prior
592 preparation and dissemination of the official Notice of Sale in such manner. The terms and
593 conditions stated in the official Notice of Sale as so disseminated, as the same may be modified
594 as provided in subsection (e) below, are made a part hereof and are hereby adopted and approved
595 as the terms and conditions under which and the manner in which the Bonds shall be sold, issued
596 and delivered at public sale.

597 (e) The Mayor or, in his absence or disability, the City Administrator or the Director
598 of Internal Services, on behalf of the City, is hereby further authorized and empowered to make
599 any determinations or to take any actions provided for in this Resolution or the official Notice of
600 Sale subsequent to the date of dissemination of such official Notice of Sale, including (without
601 limitation) modifying the bid specification parameters for the Bonds based on the

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602 recommendation of the City’s financial advisor to reflect then-current municipal market
603 conditions, determining to postpone and reschedule the date of sale and providing for notification
604 of the postponement or rescheduling of the date of sale for the Bonds, adjusting the amortization
605 schedule for the Bonds as contemplated by Section 4 of this Resolution, changing the dated date
606 of the Bonds, or changing the date for delivery of the Bonds. Any actions taken by the Mayor,
607 the City Administrator, or the Director of Internal Services in accordance with this Section 9,
608 unless otherwise expressly provided herein, may be evidenced conclusively by the dissemination
609 of such modifications prior to the sale by TM3 News Service or BiDCOMP/Parity®/www.i-
610 dealprospectus.com; in addition, such official may, but shall not be required, to execute and deliver
611 an order or orders providing for such modifications.

612 (f) No publication of the official Notice of Sale or a summary thereof shall be
613 required if any modifications to the official Notice of Sale contemplated or permitted by this
614 Section 9 are made in accordance with the provisions of this Section 9 and such modifications
615 are disseminated by TM3 News Service or BiDCOMP/Parity®/www.i-dealprospectus.com as
616 provided in this Section 9. For purposes of clarification, the form of Notice of Sale as included
617 in Appendix C to the Preliminary Official Statement, as the same may be further modified in
618 accordance with the provisions of this Section 9, shall constitute the official Notice of Sale for
619 purposes of this Resolution and the submission of bids for the Bonds.

620 (g) Notwithstanding anything to the contrary contained in this Resolution, in the
621 event that the date of sale for the Bonds is postponed or rescheduled, or in the event all bids for
622 the Bonds are rejected at a sale actually conducted and a new alternative sale date is established
623 in accordance with the official Notice of Sale, the Mayor or, in his absence or disability, the City
624 Administrator or the Director of Internal Services, on behalf of the City, with the advice of the
625 financial advisor to the City and bond counsel to the City, is hereby authorized and empowered
626 to change the dated date of the Bonds, the principal and interest payment dates for the Bonds, the
627 optional redemption dates for the Bonds, and the amortization schedule for the Bonds
628 accordingly, such changes to be disseminated by TM3 News Service or
629 BiDCOMP/Parity®/www.i-dealprospectus.com as provided in this Section 9 and the official
630 Notice of Sale and to be evidenced conclusively by such official’s execution and delivery of an
631 order or orders pursuant to the provisions of and within any limitations specified in this
632 Resolution and the official Notice of Sale.

633 (h) References in this Section 9 to the absence or disability of the Mayor shall be
634 construed to include the unavailability of the Mayor in the event a determination relating to the
635 Bonds contemplated by this Section 9 is time-sensitive as advised by the financial advisor to the
636 City or bond counsel to the City. In addition, to the extent both the Mayor and the City
637 Administrator are absent, disabled or unavailable within the meaning of the prior sentence at the
638 time a determination relating to the Bonds as contemplated by this Section 9 needs to be made,
639 and no person is serving as Acting Mayor or Acting City Administrator in accordance with the
640 Charter, the City Code or other applicable law or authority, the Director of Internal Services, on

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641 behalf of the City, is hereby authorized and empowered to exercise any of the powers or duties
642 delegated to the Mayor or the City Administrator by the provisions of this Section 9.

643 SECTION 10. BE IT FURTHER RESOLVED that:

644 (a) The preparation and distribution of a Preliminary Official Statement of the City
645 dated on or about July 13, 2016 in connection with the issuance and sale of the Bonds (the
646 “Preliminary Official Statement”), on behalf of the City, and all actions taken by City officials,
647 the financial advisor to the City and bond counsel to the City in connection with the preparation
648 and distribution of such Preliminary Official Statement, are hereby ratified, confirmed and
649 approved.

650 (b) The preparation and distribution of a final Official Statement relating to the Bonds
651 (the “Official Statement”), substantially in the form of the Preliminary Official Statement, with
652 such changes, corrections, additions and deletions not inconsistent with the provisions of the
653 Enabling Act, the Refunding Act, the Charter, Ordinance No. 2394 or the Refunding Ordinances,
654 as applicable, or this Resolution, to reflect matters determined in connection with the sale of the
655 Bonds, or to comply with the recommendations of legal counsel or the financial advisor to the
656 City, or as required by any rating agency as a condition precedent to, or as otherwise related to,
657 obtaining a rating on the Bonds from any such rating agency, as the Mayor and the Director of
658 Internal Services shall approve on behalf of the City, is hereby authorized and approved. The
659 Mayor and the Director of Internal Services, with the advice of the financial advisor to the City
660 and bond counsel to the City, are hereby authorized and directed to approve the final form of the
661 Official Statement on behalf of the City, such approval to be evidenced conclusively by the
662 Mayor’s and the Director of Internal Services’s execution and delivery of the Official Statement.
663 The Official Statement shall be printed and/or posted electronically as the financial advisor to the
664 City shall advise and/or as the successful bidder for the Bonds may require.

665 (c) The Mayor and the Director of Internal Services, with the advice of the financial
666 advisor to the City and bond counsel to the City, are hereby authorized and directed to approve
667 on behalf of the City the preparation of and distribution of any supplements or amendments to
668 the Preliminary Official Statement or the Official Statement deemed necessary or desirable after
669 the printing or posting of the same, such approval to be evidenced conclusively by the City
670 Administrator’s and the Director of Internal Services’s execution and delivery of any such
671 supplement or amendment.

672 (d) Any signature of the Mayor and the Director of Internal Services contemplated by
673 this Section 10 may be made in typed facsimile rather than by manual signature.

674 SECTION 11. BE IT FURTHER RESOLVED that:

675 (a) Manufacturers and Traders Trust Company (or any affiliate, by whatever name
676 known designated by Manufacturers and Traders Trust Company) is hereby appointed to serve as
677 the Bond Registrar and Paying Agent for the Bonds (the “Bond Registrar and Paying Agent”).

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678 The Mayor and the City Administrator are each hereby authorized to negotiate and to execute
679 and deliver such written agreement with the Bond Registrar and Paying Agent as they shall deem
680 to be necessary or appropriate. References to Manufacturers and Traders Trust Company as
681 Bond Registrar and Paying Agent shall be construed to include any affiliate designated by such
682 entity to serve in such capacity, as well as any successor to the corporate trust business of
683 Manufacturers and Traders Trust Company or any such designated entity. The City may
684 designate another entity as Bond Registrar and Paying Agent for the Bonds upon 30 days' prior
685 written notice to the registered owners of the Bonds.

686 (b) Prior to each semi-annual interest payment date, the Director of Internal Services
687 or other appropriate City official shall deposit with the Bond Registrar and Paying Agent, from
688 the tax proceeds described in Section 15 below and from any other funds then legally available
689 for such purpose, the amounts needed to pay the principal of and interest on the Bonds coming
690 due on each such interest payment date. All moneys so deposited with the Bond Registrar and
691 Paying Agent shall be deemed and treated by the Bond Registrar and Paying Agent as trust funds
692 for the use and benefit of the registered owners from time to time of the Bonds. Any such trust
693 funds held by the Bond Registrar and Paying Agent for the payment of particular Bonds for
694 periods of more than three years from their maturities or such other periods as may be required
695 by applicable law, because of the failure of the registered owners of such Bonds to present them
696 for payment or because checks issued by the Bond Registrar and Paying Agent in payment of
697 interest shall not have been cashed and no registered owner of a Bond shall have established a
698 right to payment of interest within such period, shall be returned by the Bond Registrar and
699 Paying Agent to the City and, thereafter, the registered owners of any such Bonds shall have
700 claims only against the City for payment of the obligations held by them, and the Bond Registrar
701 and Paying Agent shall be relieved of the trust hereby imposed.

702 SECTION 12. BE IT FURTHER RESOLVED that the Mayor, with the advice of the City
703 Administrator, the Director of Internal Services and bond counsel to the City, shall approve,
704 execute and deliver in the name and on behalf of the City a continuing disclosure undertaking for
705 the benefit of the owners and beneficial owners of the Bonds in order to assist the bidders for the
706 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The City
707 shall covenant in the continuing disclosure undertaking that the City will provide to the
708 repository or repositories required by Securities and Exchange Commission Rule 15c2-12,
709 annual financial information and operating data and annual audited financial statements. The
710 City shall further covenant in the continuing disclosure undertaking to provide notice of
711 specified events to the repository or repositories required by Securities and Exchange
712 Commission Rule 15c2-12. The continuing disclosure undertaking may provide that the place or
713 places of delivery of such information shall be subject to change in accordance with the rules and
714 pronouncements of the Securities and Exchange Commission or other appropriate authority and
715 shall otherwise meet the requirements of Rule 15c2-12. All appropriate City officials and
716 employees are hereby authorized and empowered to take all action necessary to comply with the
717 provisions of the continuing disclosure undertaking executed and delivered in connection with
718 the issuance of the Bonds.

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SECTION 13. BE IT FURTHER RESOLVED that as soon as may be practicable after the sale hereinabove provided for has been held, unless all bids for the Bonds are rejected in accordance with Section 9 hereof, the Bonds shall be suitably prepared in definitive form, executed and delivered to the successful bidder therefor upon receipt of the purchase price therefor, less the good faith deposit provided for in the official Notice of Sale. The Mayor, the City Administrator, the Director of Internal Services, the City Clerk and all other appropriate officials and employees of the City 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 to the successful bidder therefor, and to approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith, including, without limitation, with respect to each of the Mayor, the City Administrator or the Director of Internal Services, approving, executing and delivering any agreements required by DTC with respect to the book-entry system of registration of the Bonds or any rating agencies with respect to ratings on the Bonds, and the prior approval, execution and delivery by any such authorized officials of any such documents, certificates or instruments is hereby ratified, confirmed and approved.

SECTION 14. BE IT FURTHER RESOLVED that:

(a) The Director of Internal Services or, in his absence, one of the Assistant Directors of Internal Services are each hereby designated and authorized to receive payment on behalf of the City of the proceeds of the sale of the Bonds and to invest and/or hold uninvested in cash such proceeds. There may be deducted from the total gross proceeds of the sale of the Bonds the amount of the underwriter's discount payable to the successful bidder therefor and other expenses of sale of the Bonds, which deducted amounts shall be applied to such expenses of the sale. Any one or more appropriate officials, on behalf of the City, may direct the successful bidder for the Bonds to disburse proceeds of the Bonds on the City's behalf directly to any third party (including, without limitation, the registered owners of any of the Refunded Bonds). To the extent not so disbursed on behalf of the City, any proceeds of the Bonds received by the City 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. Within the limitations of the Internal Revenue Code of 1986, as amended (the "Code") and any other applicable law, any excess proceeds attributable to rounding amounts (because the Bonds must be issued in integral denominations of \$5,000), net issue reoffering premium received for the Bonds and any investment earnings on proceeds may be applied to pay debt service on the Bonds. Within the limitations of the Code, if the proceeds received from the sale of the Bonds exceed the amount needed for the public purposes hereinabove described, the amount of such unexpended excess shall be accounted for separately and applied to pay debt service on the Bonds, unless a supplemental resolution is adopted by the Council to provide for the expenditure of that excess for any purpose authorized by Ordinance No. 2394 and/or the applicable Refunding Ordinances, as applicable, or unless a supplemental ordinance or resolution, as applicable, is enacted by the Council to provide for the expenditure of that excess for some other valid purpose authorized by the Enabling Act, the

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761 Refunding Act and the Charter, as applicable. Nothing in this Resolution shall be construed to
762 authorize the expenditure of any moneys except for a proper public purpose.

763
764 (b) To the extent any proceeds of the Bonds to be applied for purposes of refunding
765 any of the Refunded Bonds shall not be applied for such purpose within several days of the date
766 of issuance and delivery of the Bonds, the Mayor, the City Administrator or the Director of
767 Internal Services, or his designee, is hereby authorized to provide for the bidding for and/or file,
768 as applicable, on behalf of the City any necessary investment agreements or any necessary
769 subscriptions and any amendments thereto to purchase United States Treasury Obligations –
770 State and Local Government Series, and/or any direct obligations of, or obligations the principal
771 of and interest on which are unconditionally guaranteed by, the United States of America (the
772 “Defeasance Obligations”), and to take any other action or to execute any further instrument on
773 behalf of the City necessary to purchase such obligations, subject to the limitations contained in
774 Section 16 hereof. To the extent that the “window” for United States Treasury Obligations –
775 State and Local Government Series is closed, Davenport & Company LLC is hereby selected to
776 serve as bidding agent for any other applicable Defeasance Obligations. In the event Davenport
777 & Company LLC determines not to serve in such capacity for any reason, the Mayor or the City
778 Administrator, on behalf of the City, is each hereby authorized and empowered, following
779 consultation with the Director of Internal Services, the financial advisor to the City and bond
780 counsel to the City, to select any other party or entity to serve as bidding agent with respect to
781 any bidding conducted for the selection of the Defeasance Obligations.

782 (c) To the extent a determination is made in accordance with this Section 14 to invest
783 a portion of the proceeds of the Bonds in Defeasance Obligations, Manufacturers and Traders
784 Trust Company (or any affiliate, by whatever name known designated by Manufacturers and
785 Traders Trust Company) is hereby appointed to serve as an escrow deposit agent with respect to
786 all or a portion of the Refunded Bonds (the “Escrow Deposit Agent”). The Mayor and the City
787 Administrator are each hereby authorized to negotiate and to execute and deliver such written
788 agreement with the Escrow Deposit Agent as they shall deem to be necessary or appropriate.
789 References to Manufacturers and Traders Trust Company as Escrow Deposit Agent shall be
790 construed to include any affiliate designated by such entity to serve in such capacity, as well as
791 any successor to the corporate trust business of Manufacturers and Traders Trust Company or
792 any such designated entity. The City may designate another entity as Escrow Deposit Agent for
793 the applicable Refunded Bonds upon 30 days’ prior written notice to the registered owners of the
794 applicable Refunded Bonds.

795 (d) To the extent a determination is made in accordance with this Section 14 to invest
796 a portion of the proceeds of the Bonds in Defeasance Obligations, The Arbitrage Group, Inc. or,
797 to the extent The Arbitrage Group, Inc. is not available, any other nationally-recognized
798 verification consultant recommended by the financial advisor to the City or bond counsel to the
799 City, is hereby appointed to serve as a verification consultant (the “Verification Consultant”)
800 with respect to all or a portion of the Refunded Bonds. The Mayor and the City Administrator

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801 are each hereby authorized to negotiate and to execute and deliver such written agreement with
802 the Verification Consultant as they shall deem to be necessary or appropriate.

803 SECTION 15. BE IT FURTHER RESOLVED that for the purpose of paying the principal
804 of and interest on the Bonds when due, the City shall levy or cause to be levied, for each and every
805 fiscal year during which the Bonds may be outstanding, ad valorem taxes upon all real and tangible
806 personal property in the City that is subject to assessment for unlimited municipal taxation in rate
807 and amount sufficient to pay the principal of and interest on the Bonds in each such fiscal year. If
808 the proceeds from the taxes so levied in any such fiscal year are inadequate for such payment,
809 additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full
810 faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the prompt
811 payment of the principal of and interest on the Bonds as and when the same become due and are
812 payable and to the levy and collection of the taxes hereinabove prescribed as and when such taxes
813 may become necessary in order to provide sufficient funds to meet the debt service requirements of
814 the Bonds. The City hereby covenants with the registered owners of the Bonds to take any further
815 action that may be lawfully appropriate from time to time during the period that the Bonds remain
816 outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and
817 interest due thereon. The foregoing provisions shall not be construed so as to prohibit the City
818 from paying the principal of and interest on the Bonds from the proceeds of the sale of any other
819 obligations of the City or from any other funds legally available for that purpose. Subject to any
820 limitation provided for in the Code, the City may apply to the payment of the principal of or interest
821 on the Bonds of any funds received by it from the State of Maryland or the United States of
822 America, or any governmental agency or instrumentality, or from any other source (including any
823 other sources from which the City has been making debt service payments on any of the Refunded
824 Bonds, as applicable), if such funds are granted or paid to the City for the purpose of assisting the
825 City in accomplishing the type of project or projects which the Bonds are issued to finance or
826 refinance or are otherwise available for such purpose, and to the extent of any such funds received
827 or receivable in any fiscal year, the taxes hereby required to be levied may be reduced
828 proportionately. To the extent available for such purpose, allocable portions of the debt service on
829 the Bonds shall be payable in the first instance from the enterprise fund or funds in which water,
830 sewer and parking revenues are accounted for.

831
832 SECTION 16. BE IT FURTHER RESOLVED that:
833

834 (a) (i) The Mayor and (ii) either (A) the City Administrator or (B) the Director of Internal
835 Services are the officials of the City responsible for the issuance of the Bonds within the meaning of
836 Section 1.148-2(b)(2) of the U.S. Treasury Regulations (the "Treasury Regulations"). The Mayor
837 and either of (i) the City Administrator and (ii) the Director of Internal Services also shall be the
838 officials of the City responsible for the execution and delivery (on the date of the issuance of the
839 Bonds) of a certificate of the City (the "Section 148 Certificate") that complies with the
840 requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and
841 the Treasury Regulations, and such officials are hereby authorized and directed to execute and

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842 deliver the Section 148 Certificate to counsel rendering an opinion on the validity and tax-exempt
843 status of the Bonds on the date of the issuance thereof.

844 (b) The City shall set forth in the Section 148 Certificate its reasonable expectations as
845 to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds or of
846 any monies, securities or other obligations to the credit of any account of the City which may be
847 deemed to be proceeds of the Bonds pursuant to Section 148 of the Code or the Treasury
848 Regulations (collectively, the “Bond Proceeds”). The City covenants with the registered owners of
849 the Bonds that the facts, estimates and circumstances set forth in the Section 148 Certificate will be
850 based on the City’s reasonable expectations on the date of issuance of the Bonds and will be, to the
851 best of the certifying officials’ knowledge, true and correct as of that date.

852 (c) The City covenants with the registered owners of the Bonds that it will not make, or
853 (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds
854 that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code
855 and the Treasury Regulations, to the extent applicable, and that it will comply with those provisions
856 of Section 148 of the Code and the Treasury Regulations as may be applicable to the Bonds on the
857 date of issuance and which may subsequently lawfully be made applicable to the Bonds as long as
858 the Bonds remain outstanding and unpaid.

859 (d) The City specifically covenants that it will comply with the provisions of the Code
860 applicable to the Bonds, including, without limitation, compliance with provisions regarding the
861 timing of the expenditure of the proceeds of the Bonds, the use of such proceeds and the projects
862 financed or refinanced with such proceeds, the restriction of investment yields, the filing of
863 information with the Internal Revenue Service, and the rebate of certain earnings resulting from the
864 investment of the proceeds of the Bonds or payments in lieu thereof. The City further covenants
865 that it shall make such use of the proceeds of the Bonds, regulate the investment of the proceeds
866 thereof and take such other and further actions as may be required to maintain the exemption from
867 federal income taxation of interest on the Bonds. All officials, officers, employees and agents of
868 the City are hereby authorized and directed to provide such certifications of facts and estimates
869 regarding the amount and use of the proceeds of the Bonds as may be necessary or appropriate.

870 (e) In connection with their execution and delivery of the Section 148 Certificate, the
871 authorized officials identified in this Section 16 are hereby authorized and empowered, on behalf of
872 the City, to make any designations, elections, determinations, allocations or filings on behalf of the
873 City provided for in or permitted by the Code and the Treasury Regulations and to reflect the same
874 in the Section 148 Certificate and/or the IRS Form 8038-G filed in connection with the issuance of
875 the Bonds or any other documentation deemed appropriate by bond counsel to the City; provided
876 that, only one of such identified officials must sign the IRS Form 8038-G.

877
878 SECTION 17. BE IT FURTHER RESOLVED that:

880 (a) Conditional only upon the delivery of and payment for the Bonds, the Council
881 hereby elects to prepay on any date between the date of delivery of the Bonds and a date no later

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882 than 90 days after the date of delivery of the Bonds, as determined in consultation with the Director
883 of Internal Services, the financial advisor to the City and bond counsel to the City, the Refunded
884 Bonds finally selected for refunding and prepayment in accordance with the provisions of this
885 Resolution at the applicable prepayment prices provided for such bonds, and to pay interest when
886 due on such refunded portions to and including the applicable date fixed for prepayment. Exhibit A
887 to this Resolution assumes an issuance date for the Bonds of July 28, 2016 and lists the anticipated
888 dates for prepayment of the Potential Refunded Bonds based on such anticipated issuance date. The
889 actual selected date of prepayment for each issue of the actual Refunded Bonds shall be the earliest
890 available date for such prepayment, taking into account the giving of any required notices of
891 prepayment and any prepayment date or dates negotiated with the holders of such Refunded Bonds.
892 The Mayor, the City Administrator, the Director of Internal Services, the financial advisor to the
893 City or bond counsel to the City, on behalf of the City, is each hereby authorized and empowered, to
894 negotiate with the holder or holders of any of the Potential Refunded Bonds a prepayment date
895 different from that set forth in Exhibit A hereto, taking into account the considerations and
896 limitations provided for in this Section 17. Any such different prepayment date shall be evidenced
897 conclusively by the final numbers relating to the Bonds prepared by the financial advisor to the
898 City.

899
900 (b) The prior giving of conditional notice of prepayment on behalf of the City with
901 respect to one or more issues of the Potential Refunded Bonds is hereby ratified, confirmed and
902 approved. Any one or more of the Mayor, the City Administrator and the Director of Internal
903 Services is hereby authorized and empowered, on behalf of the City, to give any supplemental or
904 new notice of any such prepayment in the name of the City prior to or after the date of issuance and
905 delivery of the Bonds, as applicable, and any such notice may be conditional.

906
907 SECTION 18. BE IT FURTHER RESOLVED that the provisions of this Resolution
908 shall be liberally construed in order to effectuate the transactions contemplated by this
909 Resolution.

910
911 SECTION 19. BE IT FURTHER RESOLVED that this Resolution shall become
912 effective upon adoption by the Council and approval by the Mayor. Pursuant to Charter Section
913 SC7-46A, this Resolution may not be petitioned to referendum.

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919 THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the
920 City of Salisbury held on the _____ day of
921 _____, 2016.

922

923

924 ATTEST:

925

926

927

928 _____
Kimberly R. Nichols, City Clerk

City Council President or Vice President

929

930

931 APPROVED BY ME THIS _____ DAY OF _____, 2016:

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936 _____
Jacob R. Day, Mayor

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941 #188740;58111.036

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EXHIBIT A

IDENTIFICATION OF POTENTIAL REFUNDED BONDS*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Public Improvements Bond of 2007					
BOND	4/1/2017	4.030%	\$247,500.00	10/1/2016	100.000
	4/1/2018	4.030%	247,500.00	10/1/2016	100.000
	4/1/2019	4.030%	247,500.00	10/1/2016	100.000
	4/1/2020	4.030%	247,500.00	10/1/2016	100.000
	4/1/2021	4.030%	247,500.00	10/1/2016	100.000
	4/1/2022	4.030%	247,500.00	10/1/2016	100.000
	4/1/2023	4.030%	247,500.00	10/1/2016	100.000
	4/1/2024	4.030%	247,500.00	10/1/2016	100.000
	4/1/2025	4.030%	247,500.00	10/1/2016	100.000
	4/1/2026	4.030%	247,500.00	10/1/2016	100.000
	4/1/2027	4.030%	247,500.00	10/1/2016	100.000
			\$2,722,500.00		
Public Improvements Bond of 2008					
BOND	2/1/2017	4.090%	\$190,000.00	8/1/2016	100.000
	2/1/2018	4.090%	195,000.00	8/1/2016	100.000
	2/1/2019	4.090%	200,000.00	8/1/2016	100.000
	2/1/2020	4.090%	230,000.00	8/1/2016	100.000
	2/1/2021	4.090%	240,000.00	8/1/2016	100.000
	2/1/2022	4.090%	260,000.00	8/1/2016	100.000
	2/1/2023	4.090%	275,000.00	8/1/2016	100.000
	2/1/2024	4.090%	125,000.00	8/1/2016	100.000
	2/1/2025	4.090%	130,000.00	8/1/2016	100.000
	2/1/2026	4.090%	135,000.00	8/1/2016	100.000
	2/1/2027	4.090%	140,000.00	8/1/2016	100.000
	2/1/2028	4.090%	145,000.00	8/1/2016	100.000
			\$2,265,000.00		
Public Improvements Bond of 2009					
BOND	11/1/2017	3.780%	\$173,333.33	7/28/2016	100.000
	11/1/2018	3.780%	173,333.33	7/28/2016	100.000
	11/1/2019	3.780%	173,333.33	7/28/2016	100.000
	11/1/2020	3.780%	173,333.33	7/28/2016	100.000
	11/1/2021	3.780%	87,779.36	7/28/2016	100.000
	11/1/2022	3.780%	33,349.33	7/28/2016	100.000
	11/1/2023	3.780%	33,349.33	7/28/2016	100.000
	11/1/2024	3.780%	33,349.34	7/28/2016	100.000
			\$881,160.68		

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Public Improvements Bond 2011B					
BOND	6/1/2017	2.390%	\$413,000.00	7/28/2016	100.000
	6/1/2018	2.390%	423,000.00	7/28/2016	100.000
	6/1/2019	2.390%	434,000.00	7/28/2016	100.000
	6/1/2020	2.390%	443,000.00	7/28/2016	100.000
	6/1/2021	2.390%	453,000.00	7/28/2016	100.000
	6/1/2022	2.390%	375,000.00	7/28/2016	100.000
	6/1/2023	2.390%	387,000.00	7/28/2016	100.000
			\$2,928,000.00		

Public Improvements Bond of 2012					
BOND	5/1/2017	2.520%	\$473,000.00	7/28/2016	100.000
	5/1/2018	2.520%	485,000.00	7/28/2016	100.000
	5/1/2019	2.520%	497,000.00	7/28/2016	100.000
	5/1/2020	2.520%	510,000.00	7/28/2016	100.000
	5/1/2021	2.520%	523,000.00	7/28/2016	100.000
	5/1/2022	2.520%	536,000.00	7/28/2016	100.000
	5/1/2023	2.520%	549,000.00	7/28/2016	100.000
	5/1/2024	2.520%	563,000.00	7/28/2016	100.000
	5/1/2025	2.520%	578,000.00	7/28/2016	100.000
	5/1/2026	2.520%	592,000.00	7/28/2016	100.000
	5/1/2027	2.520%	607,000.00	7/28/2016	100.000
			\$5,913,000.00		

Public Improvements Bond of 2013					
BOND	7/1/2017	2.960%	\$187,000.00	7/28/2016	100.000
	7/1/2018	2.960%	192,000.00	7/28/2016	100.000
	7/1/2019	2.960%	198,000.00	7/28/2016	100.000
	7/1/2020	2.960%	204,000.00	7/28/2016	100.000
	7/1/2021	2.960%	210,000.00	7/28/2016	100.000
	7/1/2022	2.960%	217,000.00	7/28/2016	100.000
	7/1/2023	2.960%	223,000.00	7/28/2016	100.000
	7/1/2024	2.960%	230,000.00	7/28/2016	100.000
	7/1/2025	2.960%	237,000.00	7/28/2016	100.000
	7/1/2026	2.960%	244,000.00	7/28/2016	100.000
	7/1/2027	2.960%	251,000.00	7/28/2016	100.000
	7/1/2028	2.960%	259,000.00	7/28/2016	100.000
			\$2,652,000.00		

Public Improvement Bonds, 2014A					
BOND	4/1/2017	2.850%	\$232,000.00	7/28/2016	100.000
	4/1/2018	2.850%	239,000.00	7/28/2016	100.000
	4/1/2019	2.850%	245,000.00	7/28/2016	100.000
	4/1/2020	2.850%	252,000.00	7/28/2016	100.000
	4/1/2021	2.850%	260,000.00	7/28/2016	100.000
	4/1/2022	2.850%	267,000.00	7/28/2016	100.000
	4/1/2023	2.850%	274,000.00	7/28/2016	100.000
	4/1/2024	2.850%	282,000.00	7/28/2016	100.000
	4/1/2025	2.850%	290,000.00	7/28/2016	100.000
	4/1/2026	2.850%	299,000.00	7/28/2016	100.000
	4/1/2027	2.850%	307,000.00	7/28/2016	100.000
	4/1/2028	2.850%	316,000.00	7/28/2016	100.000
	4/1/2029	2.850%	325,000.00	7/28/2016	100.000
			\$3,588,000.00		

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Public Improvement Bonds, 2014B	4/1/2017	2.530%	\$276,259.06	7/28/2016	100.000
BOND	4/1/2018	2.530%	288,209.91	7/28/2016	100.000
	4/1/2019	2.530%	293,211.62	7/28/2016	100.000
	4/1/2020	2.530%	305,111.12	7/28/2016	100.000
	4/1/2021	2.530%	308,237.43	7/28/2016	100.000
	4/1/2022	2.530%	314,891.84	7/28/2016	100.000
	4/1/2023	2.530%	325,324.10	7/28/2016	100.000
	4/1/2024	2.530%	333,475.68	7/28/2016	100.000
			\$2,444,720.76		

* The bonds listed above are all the Potential Refunded Bonds as determined by the financial advisor to the City. Subject to market conditions or other determinations made prior to or at the time of sale in accordance with the foregoing Resolution, the maturities, principal amounts and/or call dates of any Potential Refunded Bonds determined to be finally refunded may change and the City may determine to refund all, some or none of the Potential Refunded Bonds listed in this Exhibit A, including by determining to refund some of the bond maturities listed in this Exhibit A in part.

The bond issues referred to above are respectively defined in the foregoing Resolution as the 2007 Bond, the 2008 Bond, the 2009 Bond, the 2011B Bond, the 2012 Bond, the 2013 Bond, the 2014A Bond and the 2014B Bond.

FORM OF BONDS

No. R- UNITED STATES OF AMERICA
STATE OF MARYLAND \$ _____
CITY OF SALISBURY

PUBLIC IMPROVEMENT AND REFUNDING BOND OF 2016

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
April 1, 20__	%	_____, 2016	

Registered Owner: CEDE & CO.

Principal Sum: DOLLARS

City of Salisbury, a municipal corporation organized and existing under the Constitution and laws of the State of Maryland and a municipality within the meaning of the Enabling Act and the Refunding Act identified herein (the "City"), hereby acknowledges itself indebted for value received and promises to pay to the registered owner shown above, or registered assigns or legal representatives, on the Maturity Date specified above unless this bond shall be redeemable, shall have been called for prior redemption, and payment of the redemption price shall have been made or provided for), the Principal Sum shown above, and to pay interest on such Principal Sum from and including the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to the first interest payment date, in which event this bond shall bear interest from the Original Issue Date specified above, or unless, as shown on the records of the Bond Registrar and Paying Agent (as hereinafter defined), interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown above, payable on April 1, 2017 and on each October 1 and April 1 thereafter until the Principal Sum of this bond is paid in full. Interest shall be computed on the basis of a 360-day year comprised of 12 30-day months.

Both the principal of and interest on this bond shall be payable in lawful money of the United States of America. The principal or redemption price of this bond shall be payable by check or draft at the designated office of _____, as bond registrar and paying agent (the "Bond Registrar and Paying Agent") in _____, _____ or at such other office as may be designated by the Bond Registrar and Paying Agent. Interest on this bond

shall be payable by check or draft of the Bond Registrar and Paying Agent mailed to the registered owner in whose name this bond is registered on the registration books maintained by the Bond Registrar and Paying Agent for the issue of bonds of which this bond is a part as of the close of business on the 15th day of the calendar month immediately preceding 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 for the Bonds (as defined below). 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 EFFECTED BY SUCH PAYMENT.

This bond is the duly authorized bond of the City, and is one of a series of bonds aggregating \$ _____ in principal amount, dated _____, 2016 and designated "City of Salisbury Public Improvement and Refunding Bonds of 2016" (the "Bonds"). This bond is issued pursuant to and in full conformity with the provisions of Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Enabling Act"), Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Refunding Act"), and Sections SC7-45 and SC7-46 of the Charter of City of Salisbury, as replaced, supplemented or amended, and by virtue of due proceedings had and taken by the Council of the City (the "Council"), particularly [REFERENCES TO ORDINANCES TO BE INSERTED IN THE FINAL FORM OF THE BONDS], and Resolution No. ____, which was adopted by the Council on _____, 2016, approved by the Mayor on _____, 2016 and became effective on _____, 2016 (the "Resolution").

The Bonds mature and are payable on April 1 in the following years and amounts and bear interest at the following rates per annum [*to be completed following the sale*]:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The Bonds that mature on and after April 1, 2027 shall be subject to redemption prior to maturity at the option of the City, as a whole or in part, on any date on or after April 1, 2026, in the order of maturity directed by the City, at a redemption price of the par amount of the Bonds (or portions thereof) to be redeemed, plus interest accrued to the date fixed for redemption, without penalty or premium.

If fewer 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 fewer than all of the Bonds of any one maturity shall be called for optional 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 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.

When any Bonds are to be redeemed, the City shall cause a redemption notice to be given to the registered owners of the Bonds to be redeemed in whole or in part 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 identify the series of the Bonds and 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 to be redeemed in whole or in part shall be presented for redemption and payment on the date fixed for redemption at the designated 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 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, 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 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 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, of the same series, 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 City of Salisbury 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, [*REFERENCE TO ORDINANCES TO BE INSERTED*] 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, City of Salisbury has caused this bond to be executed in its name by the manual signature of the Mayor and its corporate seal to be affixed hereto, attested by the manual signature of the City Clerk, all as of the Original Issue Date set forth above.

ATTEST:

CITY OF SALISBURY

City Clerk

By: _____
Mayor

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of City of Salisbury designated “City of Salisbury Public Improvement and Refunding Bonds of 2016”.

_____,
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.

