

Resolution No. 3117

A RESOLUTION OF THE COUNCIL (THE "COUNCIL") OF CITY OF SALISBURY AUTHORIZING CITY OF SALISBURY (THE "CITY") TO ISSUE AND SELL TWO SEPARATE SERIES OF ITS GENERAL OBLIGATION BONDS PURSUANT TO THE AUTHORITY DESCRIBED HEREIN, SUCH SERIES OF BONDS TO BE RESPECTIVELY DESIGNATED "CITY OF SALISBURY TAX-EXEMPT PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2021" (SUBJECT TO REDESIGNATION AS PROVIDED HEREIN, THE "TAX-EXEMPT BONDS") AND "CITY OF SALISBURY TAXABLE REFUNDING BONDS OF 2021" (THE "TAXABLE BONDS" AND, COLLECTIVELY WITH THE TAX-EXEMPT BONDS, THE "BONDS"), THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSES, AS PROVIDED HEREIN, OF FINANCING OR REIMBURSING COSTS OF CERTAIN PROJECTS DESCRIBED HEREIN THAT ARE AUTHORIZED BY ORDINANCE NO. 2675 IDENTIFIED HEREIN AND CURRENTLY REFUNDING IN WHOLE OR IN PART CERTAIN PRINCIPAL INSTALLMENTS DUE ON THE 2010 TAX-EXEMPT BOND, THE 2013 TAX-EXEMPT BOND AND THE 2012 TAXABLE BOND IDENTIFIED HEREIN, TOGETHER WITH ACCRUED INTEREST ON SUCH REFUNDED PORTIONS, FINANCING OR REIMBURSING CERTAIN COSTS OF ISSUANCE OF THE BONDS AND, TO THE EXTENT PROVIDED HEREIN, FUNDING INTEREST ON THE BONDS, ALL AS FURTHER DESCRIBED HEREIN; PRESCRIBING THE FORM AND TENOR OF THE BONDS AND THE TERMS AND CONDITIONS FOR THE ISSUANCE AND SALE THEREOF AT PUBLIC SALE BY SOLICITATION OF COMPETITIVE BIDS, INCLUDING THE SUBSTANTIALLY FINAL FORM OF THE NOTICE OF SALE AND OTHER DETAILS INCIDENT TO THE ISSUANCE, SALE AND DELIVERY OF THE BONDS; AUTHORIZING THE MAYOR TO DETERMINE CERTAIN MATTERS PROVIDED FOR HEREIN IN CONNECTION WITH THE SALE OF THE BONDS; AUTHORIZING AND APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS, AND ANY SUPPLEMENTS OR AMENDMENTS THERETO; DESIGNATING A BOND REGISTRAR AND PAYING AGENT FOR THE BONDS AND PROVIDING FOR AN AGREEMENT WITH SUCH ENTITY; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE UNDERTAKING PURSUANT TO SEC RULE 15c2-12 AND COVENANTING TO PROVIDE CONTINUING DISCLOSURE RELATING TO THE BONDS; PROVIDING FOR THE APPROPRIATION, DISBURSEMENT AND INVESTMENT OF THE PROCEEDS OF THE BONDS; PROVIDING FOR THE IMPOSITION OF ANY TAXES NECESSARY FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO THE PAYMENT OF SUCH DEBT SERVICE; PROVIDING THAT DEBT SERVICE ON THE BONDS ALSO MAY BE PAID FROM ANY OTHER LAWFULLY AVAILABLE SOURCES OF REVENUE; MAKING OR PROVIDING FOR CERTAIN COVENANTS, DETERMINATIONS AND DESIGNATIONS RELATING TO THE TAX-EXEMPT STATUS OF THE TAX-EXEMPT BONDS; AUTHORIZING CERTAIN ACTIONS TO BE TAKEN IN CONNECTION WITH THE PREPAYMENT OF ANY PORTIONS OF THE 2010 TAX-EXEMPT BOND, THE 2013 TAX-EXEMPT BOND AND/OR THE 2012 TAXABLE BOND; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE

LIBERALLY CONSTRUED; AND GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF AND FOR THE BONDS AUTHORIZED HEREBY.

RECITALS

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

WHEREAS, pursuant to Ordinance No. 2675, passed by the Council of the City (the "Council") on July 26, 2021, approved by the Mayor of the City (the "Mayor") on July 26, 2021 and effective on July 26, 2021 ("Ordinance No. 2675"), the City authorized the issuance and sale from time to time, upon its full faith and credit, of one or more series of its general obligation bonds in an original aggregate principal amount not to exceed Six Million One Hundred Twenty-Four Thousand Seventy-Six Dollars (\$6,124,076) (the "Authorized Bonds"); and

WHEREAS, Ordinance No. 2675 provides that proceeds of the Authorized Bonds may be applied to finance, reimburse or refinance any "costs" or "Costs of the Projects" (each as defined in Section 3(b) of Ordinance No. 2675) of any of the projects identified in Section 3(b) of Ordinance No. 2675 (collectively, the "Authorized 2021 New Money Projects"); and

WHEREAS, pursuant to Section 19-207 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 24 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the "Refunding Act"), the City is further authorized to issue bonds for the purpose of refunding any of its bonds or other evidences of obligation by whatever name known or source of funds secured then outstanding for the public purpose of realizing debt service savings or debt restructuring; and

WHEREAS, pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2115, passed by the Council on August 9, 2010, approved by the Mayor on August 10, 2010 and effective on August 10, 2010 ("Ordinance No. 2115"), and Resolution No. 1966, adopted by the Council on September 13, 2010, approved by the Mayor on September 13, 2010 and effective on September 13, 2010, the City issued to Bank of America, N.A. on October 4, 2010 its City of Salisbury Public Facilities Refunding Bond of 2010 in the original principal amount of \$5,050,000 (the "2010 Tax-Exempt Bond"); and

WHEREAS, proceeds of the 2010 Tax-Exempt Bond were applied by the City to currently refund and prepay the outstanding principal amount of a tax-exempt lease-purchase agreement that had been entered into by the City for the public purpose of financing or reimbursing a portion of the costs of the planning, design, engineering, acquisition, construction, improvement, furnishing and

equipping of an approximately 30,000 square foot, one-story with a mezzanine level fire station and related improvements, together with accrued interest to the date of prepayment, and to pay or reimburse costs of issuance of the 2010 Tax-Exempt Bond; and

WHEREAS, the 2010 Tax-Exempt Bond constituted a series of the "Original Refunding Bonds" authorized by Ordinance No. 2115; and

WHEREAS, Ordinance No. 2115 authorizes the City to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation refunding bonds (collectively, the "Subsequent Refunding Bonds") for the public purpose of (i) refunding or advance refunding any of the Original Refunding Bonds (as defined therein) authorized thereby, including the payment of any prepayment premium and any interest accrued or to accrue to the date of prepayment, purchase or maturity of the Original Refunding Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such Subsequent Refunding Bonds and, to the extent determined by the Council in a subsequent resolution, paying interest on such Subsequent Refunding Bonds; provided that, the aggregate principal amount of any issue of Subsequent Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Original Refunding Bonds (as defined therein) refunded therefrom; and

WHEREAS, the Subsequent Refunding Bonds authority provided for in Ordinance No. 2115 has not previously been used; and

WHEREAS, the 2010 Tax-Exempt Bond was issued as a single installment bond, with principal installments due thereon on each October 1 in the years 2011-2026, inclusive, and with interest payments due on each April 1 and October 1, commencing on April 1, 2011, unless such 2010 Tax-Exempt Bond was prepaid in whole prior to maturity; and

WHEREAS, the 2010 Tax-Exempt Bond is subject to prepayment prior to maturity at the option of the City in whole only on the first business day of each month, at a prepayment price of the outstanding par amount, plus accrued interest to the date fixed for prepayment, without premium or penalty, following at least 10 days prior notice of such prepayment (or such fewer number of days as is acceptable to the registered owner of the 2010 Tax-Exempt Bond); and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2223, passed by the Council on October 22, 2012, approved by the Mayor on October 23, 2012 and effective on October 23, 2012 ("Ordinance No. 2223"), and Resolution No. 2236, adopted by the Council on November 26, 2012, approved by the Mayor on November 28, 2012 and effective on November 28, 2012 ("Resolution No. 2236"), the City issued to SunTrust Bank on December 5, 2012 its City of Salisbury Taxable Public Improvements Bond of 2012 in the original principal amount of \$6,041,000 (the "2012 Taxable Bond"); and

WHEREAS, the 2012 Taxable Bond was issued to finance or reimburse costs of certain public purpose projects identified in Ordinance No. 2223 as Caustic Chemical Feed Building, Wastewater Treatment Plant Upgrade and costs of issuance of the 2012 Taxable Bond (collectively, the "Original 2012 Taxable New Money Projects"); and

WHEREAS, the 2012 Taxable Bond constituted a series of the "Bonds" authorized by Ordinance No. 2223; and

WHEREAS, pursuant to Ordinance No. 2475, passed by the Council on February 26, 2018, approved by the Mayor on February 28, 2018 and effective on February 28, 2018 ("Ordinance No. 2475"), and Resolution No. 2816, adopted by the Council on February 26, 2018, approved by the Mayor on February 28, 2018 and effective on February 28, 2018, the City respectively amended and supplemented Ordinance No. 2223 and Resolution No. 2236 to authorize proceeds of the 2012 Taxable Bond to be applied to projects identified therein as Sewer Infiltration and Inflow Remediation, Replace Distribution Piping and Valves, Restore Park Well Field, Tank and Reservoir Mixing System, Paleo Water Treatment Plant Roof Improvements, Pump Station Building Improvements, Park Water Treatment Electrical Gear Replacement, Glen Avenue Lift Station, and Sewer Extension in Mt. Herman Road, in addition to the Original 2012 Taxable New Money Projects; and

WHEREAS, Ordinance No. 2223 authorizes the City to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation refunding bonds (collectively, the "Refunding Bonds") for the public purpose of refunding or advance refunding any of the Bonds (as defined therein) authorized thereby, including the payment of any prepayment or redemption premium and any interest accrued or to accrue to the date of prepayment, redemption, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such Refunding Bonds and, to the extent determined by the Council by resolution, paying interest on such Refunding Bonds; provided that, the aggregate principal amount of any series of Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom; and

WHEREAS, the Refunding Bonds authority provided for in Ordinance No. 2223 was not impacted by the amendments to Ordinance No. 2223 described above and has not previously been used; and

WHEREAS, the 2012 Taxable Bond was issued as a single installment bond, with principal installments due thereon on each July 1 in the years 2013-2028, inclusive, and with interest payments due on each January 1 and July 1, commencing on July 1, 2013, unless such 2012 Taxable Bond was prepaid in whole prior to maturity; and

WHEREAS, the 2012 Taxable Bond is subject to prepayment prior to maturity in whole or in part at any time, at the option of the City, in any order of maturity directed by the City, at a prepayment price of the par amount of the 2012 Taxable Bond outstanding to be prepaid, plus accrued interest on the principal amount being prepaid to the date fixed for prepayment, without premium or penalty, following at least 15 days prior notice of such prepayment (or such fewer number of days as is acceptable to the registered owner of the 2012 Taxable Bond); and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2273, passed by the Council on December 16, 2013, approved by the Mayor on December 16, 2013 and effective on December 16, 2013 ("Ordinance No. 2273"), and Resolution No. 2358, adopted by the Council on December 16, 2013, approved by the Mayor

on December 16, 2013 and effective on December 16, 2013 ("Resolution No. 2358"), the City issued to Hebron Savings Bank on December 23, 2013 its City of Salisbury Public Improvements Bond of 2013 in the original principal amount of \$3,178,000 (the "2013 Tax-Exempt Bond"); and

WHEREAS, the 2013 Tax-Exempt Bond was issued to finance or reimburse costs of certain public purpose projects identified in Ordinance No. 2273 and Resolution No. 2358 as Riverwalk, Mainstreet Master Plan, Coty Cox Drainage Improvements and Germania Circle; and

WHEREAS, the 2013 Tax-Exempt Bond constituted a series of the "Bonds" authorized by Ordinance No. 2273; and

WHEREAS, Ordinance No. 2273 authorizes the City to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation refunding bonds (collectively, the "Refunding Bonds") for the public purpose of refunding or advance refunding any of the Bonds (as defined therein) authorized thereby, including the payment of any prepayment or redemption premium and any interest accrued or to accrue to the date of prepayment, redemption, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such Refunding Bonds and, to the extent determined by the Council by resolution, paying interest on such Refunding Bonds; provided that, the aggregate principal amount of any series of Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom; and

WHEREAS, the Refunding Bonds authority provided for in Ordinance No. 2273 has not previously been used; and

WHEREAS, the 2013 Tax-Exempt Bond was issued as a single installment bond, with principal installments due thereon on each July 1 in the years 2014-2028, inclusive, and with interest payments due on each January 1 and July 1, commencing on July 1, 2014, unless such 2013 Tax-Exempt Bond was prepaid in whole prior to maturity; and

WHEREAS, the 2013 Tax-Exempt Bond is subject to prepayment prior to maturity in whole or in part at any time, at the option of the City, in any order of maturity directed by the City, at a prepayment price of the par amount of the 2013 Tax-Exempt Bond outstanding to be prepaid, plus accrued interest on the principal amount being prepaid to the date fixed for prepayment, without premium or penalty, and with or without advance notice to the registered owner of the 2013 Tax-Exempt Bond; and

WHEREAS, each of Ordinance No. 2675, Ordinance No. 2115, Ordinance No. 2223 and Ordinance No. 2273 provides that the Council by resolution may determine to consolidate any series of the Bonds, the Subsequent Refunding Bonds, the Refunding Bonds or the Refunding Bonds, respectively, authorized thereby with any bonds, bond anticipation notes and/or refunding bonds authorized by the Council and issue any such obligations as a single series of bonds, bond anticipation notes and/or refunding bonds, as applicable; and

WHEREAS, the City desires to issue two separate series of general obligation bonds in order (i) (A) to finance or reimburse costs of the Authorized 2021 New Money Projects, (B) currently refund

and prepay in whole or in part the outstanding principal installments of the 2010 Tax-Exempt Bond due on and after October 1, 2022, together with accrued interest thereon, and (C) currently refund and prepay in whole or in part the outstanding principal installments of the 2013 Tax-Exempt Bond due on and after July 1, 2022, together with accrued interest thereon, and related costs of issuance, and (ii) currently refund and prepay in whole or in part the outstanding principal installments of the 2012 Taxable Bond due on and after July 1, 2022, together with accrued interest thereon, as further described herein; and

WHEREAS, Ordinance No. 2115 provides that, as authorized by the Refunding Act, and unless the Council determines otherwise by resolution, each series of the Subsequent Refunding Bonds authorized thereby shall be sold on a negotiated basis without solicitation of bids; and

WHEREAS, the financial advisor to the City has recommended that the two series of the general obligation bonds provided for herein be sold at public sale by solicitation of competitive bids because such method of sale is likely to result in the lowest interest costs to the City in comparison with a negotiated underwriting or a direct purchase transaction; and

WHEREAS, the Council has determined to sell the two series of the general obligation bonds provided for herein at public sale by solicitation of competitive bids and upon the terms and conditions set forth in this Resolution, the proceeds of which general obligation bonds are to be used and applied as herein set forth.

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

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

(b) References in this Resolution to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the "City Code") or other applicable law or authority to act in such titled official's stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting or interim capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a "deputy", "associate" or "assistant" capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the City Code, the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) References in this Resolution to the "principal amount" of any of the 2021 Bonds (as defined herein) shall be construed to mean the par amount of such Bonds, and references in this Resolution to "proceeds" shall be construed to mean par amount and any allocable original issue premium and/or investment earnings, to the extent applicable.

(d) To the extent this Resolution does not specifically identify how any responsibility, right, power or duty delegated to the Mayor of the City (the "Mayor") by the terms hereof shall be evidenced, any such exercise may be evidenced conclusively by the execution and delivery by the Mayor of an order with respect thereto.

SECTION 2. AND BE IT FURTHER RESOLVED that:

(a) Pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2675, Ordinance No. 2115 and Ordinance No. 2273, as applicable, and subject to the further provisions of this Resolution, the City hereby determines to borrow money and incur indebtedness for the following public purposes: (i) financing or reimbursing all or any portion of the Costs of the 2021 New Money Projects identified in subsection (b) below, (ii) currently refunding in whole or in part the principal installments due on the 2010 Tax-Exempt Bond on and after October 1, 2022 and, in connection therewith, prepaying all or a portion of such principal installments due on the 2010 Tax-Exempt Bond on and after October 1, 2022 and paying interest accrued on such refunded principal to the date fixed for prepayment of such refunded principal installments, in order to realize debt service savings on a direct comparison or present value basis, (iii) currently refunding and prepaying in whole or in part the principal installments due on the 2013 Tax-Exempt Bond on and after July 1, 2022 and, in connection therewith, prepaying all or a portion of such principal installments due on the 2013 Tax-Exempt Bond on and after July 1, 2022 and paying interest accrued on such refunded principal to the date fixed for prepayment of such refunded principal installments, in order to realize debt service savings on a direct comparison or present value basis, (iv) financing or reimbursing all or a portion of costs of issuance of the 2021 Tax-Exempt Bonds identified in Section 3(a) below, including, without limitation, legal and financial costs and costs of any credit enhancement, and (v) to the extent any proceeds of the 2021 Tax-Exempt Bonds are not needed for the purposes specified in clauses (i)-(v), funding interest on the 2021 Tax-Exempt Bonds (collectively, the "2021 Tax-Exempt New Money and Refunding Project"). It is the stated intention of the Council to currently refund and prepay the outstanding principal installments due on the 2010 Tax-Exempt Bond on and after October 1, 2022 and the outstanding principal installments due on the 2013 Tax-Exempt Bond on and after July 1, 2022 in whole, together with accrued interest thereon, to the extent each such refunding in whole results in debt service savings; provided that, the Mayor, on behalf of the City, with the advice of the City Administrator of the City (the "City Administrator"), the Director of Finance of the City (the "Director of Finance"), the financial advisor to the City and bond counsel to the City, is hereby authorized and empowered to determine to currently refund and prepay less than all of the outstanding principal installments due on (A) the 2010 Tax-Exempt Bond on and after October 1, 2022 and (B) the 2013 Tax-Exempt Bond on and after July 1, 2022, together with accrued interest on such refunded principal, if a current refunding and prepayment in whole of all such principal installments of either the 2010 Tax-Exempt Bond and/or the 2013 Tax-Exempt Bond plus accrued interest on such refunded principal would not satisfy the provisions of the Refunding Act, in accordance with and subject to the further provisions of this Resolution.

(b) With respect to the projects listed below, the word "costs" shall include, as applicable, costs of the following activities and expenses: land and right-of-way acquisition and development; acquisition of other property rights; site and utility improvements, including, without limitation, grading, landscaping, paving and repaving, sidewalk, curb, gutter, storm water, water and sewer

improvements, street lights, amenities, and related or similar activities and expenses; demolition, razing and removal; acquisition, construction, expansion, reconstruction, replacement, renovation, rehabilitation, upgrading, improvement, installation, furnishing and equipping activities and expenses, and related or similar activities and expenses; planning, design, engineering, testing, study, architectural, feasibility, surveying, document development, bidding, permitting, inspection, construction management, financial, administrative and legal expenses, and related or similar activities and expenses; contingencies; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); interest during construction and for a reasonable period thereafter (whether or not expressly so stated); and any such costs that may represent the City's share or contribution to the financing, reimbursement or refinancing of any such project (collectively, "Costs of the 2021 New Money Projects"). The maximum original aggregate principal amount of the 2021 Tax-Exempt Bonds to be appropriated or applied to the Costs of the 2021 New Money Projects (exclusive of any net original issue premium realized upon sale or investment earnings that may be applied for such purposes) shall be allocated among the following public purpose projects in the maximum principal amount set forth opposite each, except as otherwise herein provided:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	GOB Air Handler Replacement ⁽¹⁾	\$ 178,750
2.	Apparatus Replacement - Aerial Ladder ⁽¹⁾	1,400,000
3.	Field Operations Facility Plan – Phase 3 Garage ⁽¹⁾⁽²⁾	1,890,000
4.	Downtown Street Scaping ⁽¹⁾	381,326
5.	Market Street Shoreline Improvements ⁽¹⁾	330,000
6.	Northwood and Brewington Branch Culvert ⁽¹⁾	290,000
7.	ADA: Ramp and Bathroom Conversion ⁽³⁾	40,000
8.	Field Operations Facility Plan - Phase 2 ⁽³⁾⁽⁴⁾	1,500,000
9.	Port Exchange Riverwalk Replacement ⁽³⁾	114,000
TOTAL		<u>\$6,124,076</u>

¹ Project was approved for bond funding in the fiscal year 2022 budget ordinance (Ordinance No. 2660).

² Project is also referred to in certain City budgetary materials as "Field Operations Master Plan – Phase III New Vehicle Maintenance Facility."

³ Project was approved for bond funding in fiscal year 2022 through the fiscal year 2021 budget ordinance (Ordinance No. 2593).

⁴ Project is also referred to in certain City budgetary materials as "Field Operations Master Plan – Phase II New Administrative Building."

The projects identified in items 1-9 above are collectively referred to herein as the "2021 New Money Projects." The 2021 New Money Projects described in items 1-9 above are identified by approximately the same names as such 2021 New Money Projects are identified in the City budget and related materials. The City, without notice to or the consent of any registered owners of the 2021 Tax-Exempt Bonds, may allocate and reallocate the maximum principal amount of the 2021 Tax-Exempt Bonds (exclusive of any net original issue premium realized upon sale or investment earnings

that may be applied for such purposes) to be spent on Costs of the 2021 New Money Projects among any of the 2021 New Money Projects in compliance with applicable budgetary procedures or applicable law, including, to the extent applicable, by resolution. Further, it is the intention of the Council that the proceeds of the 2021 Tax-Exempt Bonds issued with respect to the 2021 New Money Projects may be spent on any applicable Costs of the 2021 New Money Projects, notwithstanding the descriptive names used for the 2021 New Money Projects in the table above, including, without limitation, costs related to changes in the scopes of and/or names of the 2021 New Money Projects effected through applicable budgetary procedures or applicable law. The term "Costs of the 2021 New Money Projects" as used in this Resolution has the same meaning as the term "Costs of the Projects" as defined in Section 3(b) of Ordinance No. 2675, and the term "2021 New Money Projects" as used in this Resolution has the same meaning as the term "Projects" as defined in Section 3(b) of Ordinance No. 2675.

If the portion of the original aggregate principal amount of the 2021 Tax-Exempt Bonds allocated to the Costs of the 2021 New Money Projects is reduced prior to or in connection with the sale of the 2021 Tax-Exempt Bonds as contemplated by Section 4(c) of this Resolution, such reduction and the allocation of any net original issue premium to the uses specified in the table above may be reflected in the Section 148 Certificate provided for in Section 16 of this Resolution.

(c) Pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, and Ordinance No. 2223, and subject to the further provisions of this Resolution, the City hereby determines to borrow money and incur indebtedness for the public purpose of (i) currently refunding the principal installments due on the 2012 Taxable Bond on and after July 1, 2022 in whole or in part, and, in connection therewith, prepaying all or a portion of such principal installments due on the 2012 Taxable Bond on and after July 1, 2022 and paying interest accrued on such refunded principal to the date of prepayment of such refunded principal installments, in order to realize debt service savings on a direct comparison or present value basis, (ii) financing or reimbursing all or a portion of costs of issuance related to the purpose specified in clause (i), including, without limitation, legal and financial costs and costs of any credit enhancement, and (iii) to the extent any proceeds of the 2021 Taxable Bonds identified in Section 3(b) below are not needed for the purposes specified in clauses (i) and (ii), funding interest on the 2021 Taxable Bonds (collectively the "2021 Taxable Refunding Project"). It is the stated intention of the Council to currently refund and prepay the outstanding principal installments due on the 2012 Taxable Bond on and after July 1, 2022 in whole, together with accrued interest on such refunded principal, to the extent such refunding in whole results in debt service savings; provided that, the Mayor, on behalf of the City, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, is hereby authorized and empowered to determine to currently refund and prepay less than all of the outstanding principal installments due on the 2012 Taxable Bond on and after July 1, 2022 and accrued interest thereon if a current refunding and prepayment in whole of all such principal installments plus accrued interest would not satisfy the provisions of the Refunding Act, in accordance with and subject to the further provisions of this Resolution.

(d) The City will pay or prepay the scheduled principal installment due on the 2010 Tax-Exempt Bond on October 1, 2021, and the accrued interest with respect thereto, from funds on hand and not from proceeds of the 2021 Tax-Exempt Bonds or the 2021 Taxable Bonds. The Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and

bond counsel to the City, is hereby authorized and empowered to determine to prepay the scheduled principal installment due on the 2010 Tax-Exempt Bond and accrued interest thereon prior to October 1, 2021, and either the Mayor or the Director of Finance may give notice of any such prepayment in accordance with the applicable provisions of Section 17 of this Resolution.

SECTION 3. AND BE IT FURTHER RESOLVED that:

(a) To evidence the borrowing and indebtedness authorized in Section 2(a) of this Resolution (for the purposes of the 2021 Tax-Exempt New Money and Refunding Project), the City, acting pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, and Ordinance No. 2675, Ordinance No. 2115 and Ordinance No. 2273, as applicable, hereby determines to issue and sell, upon its full faith and credit, a series of its general obligation new money and refunding bonds and to designate such series as the "City of Salisbury Tax-Exempt Public Improvement and Refunding Bonds of 2021" (the "2021 Tax-Exempt Bonds"). That portion of the par amount of the 2021 Tax-Exempt Bonds allocated to Costs of the 2021 New Money Projects shall not exceed \$6,124,076; that portion of the par amount of the 2021 Tax-Exempt Bonds allocated to the current refunding and prepayment of the principal installments due on the 2010 Tax-Exempt Bond on and after October 1, 2022, accrued interest thereon and allocable costs of issuance shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the outstanding 2010 Tax-Exempt Bond to be refunded by the 2021 Tax-Exempt Bonds; and that portion of the par amount of the 2021 Tax-Exempt Bonds allocated to the current refunding and prepayment of the principal installments due on the 2013 Tax-Exempt Bond on and after July 1, 2022, accrued interest thereon and allocable costs of issuance shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the outstanding 2013 Tax-Exempt Bond to be refunded by the 2021 Tax-Exempt Bonds. Notwithstanding the foregoing, in the event it is determined in accordance with the provisions of Section 4(i) of this Resolution not to issue the 2021 Tax-Exempt Bonds for the purpose of currently refunding and prepaying any portion of the outstanding 2010 Tax-Exempt Bond and any portion of the outstanding 2013 Tax-Exempt Bond, together with accrued interest and allocable costs of issuance, the 2021 Tax-Exempt Bonds shall be issued with the designation "City of Salisbury Tax-Exempt Public Improvement Bonds of 2021" and all references in this Resolution to the "2021 Tax-Exempt New Money and Refunding Project" shall be construed to refer solely to the purpose described in clause (i) of Section 2(a) of this Resolution.

(b) To evidence the borrowing and indebtedness authorized in Section 2(c) of this Resolution (for the purposes of the 2021 Taxable Refunding Project), the City, acting pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, and Ordinance No. 2223, hereby determines to issue and sell, upon its full faith and credit, a series of its general obligation refunding bonds and to designate such series as the "City of Salisbury Taxable Refunding Bonds of 2021" (the "2021 Taxable Bonds").

(c) The 2021 Tax-Exempt Bonds and the 2021 Taxable Bonds are referred to in this Resolution collectively as the "2021 Bonds" and individually as a "series" of the 2021 Bonds. Any particular bond of a series is referred to as a "2021 Tax-Exempt Bond," a "2021 Taxable Bond," or a "2021 Bond," as applicable.

(d) Other available moneys may be applied to the purposes of the 2021 Tax-Exempt New Money and Refunding Project and/or the 2021 Taxable Refunding Project as contemplated by or determined in accordance with the provisions of this Resolution.

(e) The proceeds of the 2021 Tax-Exempt Bonds are hereby appropriated and allocated for the purposes of the 2021 Tax-Exempt New Money and Refunding Project, as the components of such 2021 Tax-Exempt New Money and Refunding Project may be finally determined in accordance with the provisions of this Resolution. The proceeds of the 2021 Taxable Bonds are hereby appropriated and allocated for the purposes of the 2021 Taxable Refunding Project, as the components of such 2021 Taxable Refunding Project may be finally determined in accordance with the provisions of this Resolution.

SECTION 4. AND BE IT FURTHER RESOLVED that:

(a) The 2021 Bonds shall be issued in denominations of \$5,000 and integral multiples thereof. Subject to the provisions of Section 9 hereof, each series of the 2021 Bonds shall be dated the date of its delivery and shall be issued initially in book-entry only form as fully registered bonds, without coupons attached, by issuing a single bond for each maturity of such series registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company or its successor ("DTC"); provided that, if DTC so requests, or a system of book-entry only registration is discontinued, replacement bonds shall be issued in denominations of \$5,000 and integral multiples thereof and shall be consecutively numbered in such manner as shall be determined by the Bond Registrar and Paying Agent (as defined in Section 11 of this Resolution).

(b) Subject to the further provisions of this Section 4 and the provisions of Section 9 hereof, the 2021 Tax-Exempt Bonds shall mature in annual serial maturities as designated by the successful bidder for the 2021 Tax-Exempt Bonds in accordance with the Official Notice of Sale (as defined in Section 9 hereof), on September 1, as follows:

Preliminary Maturity Schedule for 2021 Tax-Exempt Bonds*

<u>Date</u>	<u>Serial Maturity</u>	<u>Date</u>	<u>Serial Maturity</u>
2022	\$800,000	2030	\$395,000
2023	845,000	2031	405,000
2024	885,000	2032	410,000
2025	930,000	2033	420,000
2026	980,000	2034	430,000
2027	610,000	2035	440,000
2028	640,000	2036	445,000
2029	390,000		

* The maturity dates, principal amounts and determination of the serial bond maturities provided for in the foregoing table are subject to adjustment as provided herein.

(c) The \$9,025,000 original aggregate principal amount of the 2021 Tax-Exempt Bonds provided for in the amortization schedule set forth in subsection (b) above is based on an assessment of market conditions in late July 2021. The Council hereby determines that it is in the best interest of the City to authorize and empower the Mayor, on behalf of the City, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, to adjust the amortization schedule set forth in subsection (b) above from time to time prior to the sale of the 2021 Tax-Exempt Bonds in order to increase or decrease the original aggregate principal amount of the 2021 Tax-Exempt Bonds (subject to the limitation provided for in Section 3(a) of this Resolution), and to correspondingly adjust one or more of the principal amounts of the serial maturities provided for in the amortization schedule set forth in subsection (b) above upward or downward, and to the extent necessary, to eliminate one or more serial maturities of the 2021 Tax-Exempt Bonds provided for in the amortization schedule set forth in subsection (b) above, in order to (i) account for anticipated original issue premium that may be applied to costs of the 2021 Tax-Exempt New Money and Refunding Project so as to avoid an over-issuance problem, to address legal or tax considerations, to account for the availability of other moneys for application to the 2021 Tax-Exempt New Money and Refunding Project, to reflect a determination of the City not to finance the Costs of any particular 2021 New Money Project or a determination of the City to reduce the amount of 2021 Tax-Exempt Bonds proceeds to be applied to the Costs of any particular 2021 New Money Project, to reflect a determination that the outstanding principal installments due on the 2010 Tax-Exempt Bond on and after October 1, 2022 and/or the outstanding principal installments due on the 2012 Tax-Exempt Bond on and after July 1, 2022 will not be currently refunded in whole, to reflect a determination that no portion of the 2021 Tax-Exempt Bonds will be applied for refunding purposes, or to account for any other legal or financial considerations, (ii) correct typographical or calculation errors, (iii) reflect then-current market conditions and/or (iv) address financial considerations impacting the City (including, without limitation, taking into account other debt service obligations of the City). Any such adjustments contemplated by this subsection (c) (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement (as defined in Section 10 hereof) if such adjustments are made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such adjustments are made after release of the Preliminary Official Statement. In addition, the original aggregate principal amount of the 2021 Tax-Exempt Bonds is subject to adjustment following receipt of bids for the 2021 Tax-Exempt Bonds in accordance with the Official Notice of Sale.

It is the stated intention of the Council that, to the extent available for such purpose, any original issue premium provided for in the successful bidder's bid for the 2021 Tax-Exempt Bonds be applied first to paying costs of issuance of the 2021 Tax-Exempt Bonds allocable to the financed Costs of the 2021 New Money Projects that are not payable from any other sources and then to reducing the par amount of the 2021 Tax-Exempt Bonds needed for the remaining purposes of the 2021 Tax-Exempt New Money and Refunding Project (after giving effect to the payment of underwriter's discount from any such original issue premium).

(d) Subject to the further provisions of this Section 4 and the provisions of Section 9 hereof, the 2021 Taxable Bonds shall mature in annual serial maturities as designated by the

successful bidder for the 2021 Taxable Bonds in accordance with the Official Notice of Sale, on September 1, as follows:

Preliminary Maturity Schedule for 2021 Taxable Bonds*

<u>Date</u>	<u>Serial Maturity or Sinking Fund Payment</u>	<u>Date</u>	<u>Serial Maturity or Sinking Fund Payment</u>
2022	\$430,000	2026	\$440,000
2023	430,000	2027	450,000
2024	435,000	2028	455,000
2025	440,000		

* The maturity dates, principal amounts and determination of serial bonds provided for in the foregoing table are subject to adjustment as provided herein.

(e) The \$3,080,000 original aggregate principal amount of the 2021 Taxable Bonds provided for in the amortization schedule set forth in subsection (d) above is based on an assessment of market conditions in late July 2021. The Council hereby determines that it is in the best interest of the City to authorize and empower the Mayor, on behalf of the City, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, to adjust the amortization schedule set forth in subsection (d) above from time to time prior to the sale of the 2021 Taxable Bonds in order to increase or decrease the original aggregate principal amount of the 2021 Taxable Bonds (subject to the limitation provided for in Section 3(b) of this Resolution), and to correspondingly adjust one or more of the principal amounts of the serial maturities provided for in the amortization schedule set forth in subsection (d) above upward or downward, and to the extent necessary, to eliminate one or more serial maturities of the 2021 Taxable Bonds provided for in the amortization schedule set forth in subsection (d) above, in order to (i) account for anticipated original issue premium that may be applied to costs of the 2021 Taxable Refunding Project so as to avoid an over-issuance problem, to address legal or tax considerations, to account for the availability of other moneys for application to the 2021 Taxable Refunding Project, to reflect a determination that the outstanding principal installments of the 2012 Taxable Bond due on and after July 1, 2022 will not be currently refunded in whole, or to account for any other legal or financial considerations, (ii) correct typographical or calculation errors, (iii) reflect then-current market conditions and/or (iv) address financial considerations impacting the City (including, without limitation, taking into account other debt service obligations of the City). Any such adjustments contemplated by this subsection (e) (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such adjustments are made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such adjustments are made after release of the Preliminary Official Statement. In addition, the original aggregate principal amount of the 2021 Taxable Bonds and the original aggregate principal amount of each maturity of the 2021 Taxable Bonds is subject to adjustment following receipt of bids for the 2021 Taxable Bonds in accordance with the Official Notice of Sale.

It is the stated intention of the Council that, to the extent available for such purpose, any original issue premium provided for in the successful bidder's bid for the 2021 Taxable Bonds be applied to reducing the par amount of the 2021 Taxable Bonds needed for the purposes of the 2021 Taxable Refunding Project (after giving effect to the payment of underwriter's discount therefrom).

(f) Each series of the 2021 Bonds shall bear interest at the rate or rates named by the successful bidder for such series in accordance with the terms of the Official Notice of Sale and as approved by the Mayor's execution and delivery of an order or orders upon award of the 2021 Bonds. Subject to the further provisions of this Section 4 and Section 9 hereof, interest on each series of the 2021 Bonds shall be payable on March 1, 2022 and semi-annually thereafter on each September 1 and March 1 until maturity or, with respect to the 2021 Tax-Exempt Bonds, prior redemption. Interest payments due on each series of the 2021 Bonds shall be made to the registered owners thereof who are the registered owners of record as of the 15th day of the calendar month immediately preceding the month in which such interest payment date occurs. Each series of the 2021 Bonds shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from their dated date (which shall be their date of issuance). Interest shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(g) The principal or redemption price (if any) of the 2021 Bonds shall be payable at the office designated by the Bond Registrar and Paying Agent. Interest on the 2021 Bonds shall be payable by check or draft of the Bond Registrar and Paying Agent mailed to the owners thereof; provided that, so long as a series of the 2021 Bonds is registered in book-entry form under a book-entry only system maintained by DTC, any successor thereto or any replacement securities depository (DTC or any replacement securities depository, the "Securities Depository"), payments of the principal or redemption price (if any) of and interest on such series of the 2021 Bonds shall be made as required by the rules and regulations of such Securities Depository.

(h) In the event the Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, as applicable, determines prior to or upon the sale of the 2021 Tax-Exempt Bonds provided for in Section 9 hereof that market conditions are not favorable for a current refunding of any portion of the principal installments of the 2010 Tax-Exempt Bond due on and after October 1, 2022, the Mayor may determine that the 2021 Tax-Exempt Bonds shall not be issued for the purpose of refunding any portion of the 2010 Tax-Exempt Bond. In such event, Ordinance No. 2115 shall not serve as authority for issuance of the 2021 Tax-Exempt Bonds, and all references in this Resolution to the issuance of the 2021 Tax-Exempt Bonds for purposes of currently refunding any portion of the outstanding 2010 Tax-Exempt Bond shall be disregarded. In the event the Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, as applicable, determines prior to or upon the sale of the 2021 Tax-Exempt Bonds provided for in Section 9 hereof that market conditions are not favorable for a current refunding of any portion of the principal installments of the 2013 Tax-Exempt Bond due on and after July 1, 2022, the Mayor may determine that the 2021 Tax-Exempt Bonds shall not be issued for the purpose of refunding any portion of the 2013 Tax-Exempt Bond. In such event, Ordinance No. 2273 shall not serve as authority for issuance of the 2021 Tax-Exempt Bonds, and all references in this Resolution to the issuance of the 2021 Tax-Exempt Bonds for purposes of currently refunding any portion of the outstanding 2013 Tax-Exempt Bond shall be

disregarded. Any such determination made prior to the sale of the 2021 Tax-Exempt Bonds (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made after release of the Preliminary Official Statement.

(i) In the event the Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, as applicable, determines prior to or upon the sale of the 2021 Tax-Exempt Bonds provided for in Section 9 hereof that market conditions are not favorable for a current refunding of any portion of the outstanding principal installments of the 2010 Tax-Exempt Bond due on and after October 1, 2022 and any portion of the outstanding principal installments of the 2013 Tax-Exempt Bond due on and after July 1, 2022, plus accrued interest thereon, the Mayor may determine that the 2021 Tax-Exempt Bonds shall not be issued for refunding purposes. In such event, all references in this Resolution to the 2021 Tax-Exempt Bonds being issued for current refunding purposes, the current refunding and prepayment of all or any portion of (A) the principal installments due on the 2012 Tax-Exempt Bond on or after October 1, 2022 and (B) the principal installments due on the 2013 Tax-Exempt Bond on and after July 1, 2022, together with accrued interest thereon, and the applicable provisions of Ordinance No. 2115 and Ordinance No. 2273 serving as authority for the issuance of the 2021 Tax-Exempt Bonds, shall be deemed to be inapplicable. Any such determination made prior to the sale of the 2021 Tax-Exempt Bonds (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made after release of the Preliminary Official Statement.

In the event a determination is made in accordance with the preceding paragraph not to issue the 2021 Tax-Exempt Bonds for current refunding purposes, and if the City also determines prior to the sale of the 2021 Tax-Exempt Bonds provided for in Section 9 hereof that the 2021 Tax-Exempt Bonds should not be issued for the purpose of financing or reimbursing any Costs of the 2021 New Money Projects, then the 2021 Tax-Exempt Bonds shall not be sold and issued, all references in this Resolution to the 2021 Tax-Exempt Bonds shall be disregarded, the applicable provisions of the Enabling Act, the Refunding Act, the Charter, Ordinance No. 2675, Ordinance No. 2115 and Ordinance No. 2273 serving as authority for the issuance of the 2021 Tax-Exempt Bonds shall be deemed to be inapplicable and disregarded, and references in this Resolution to the 2021 Bonds shall be construed to relate solely to the 2021 Taxable Bonds, subject to the provisions of subsection (j) below. Any such determination made prior to the sale of the 2021 Tax-Exempt Bonds (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made after release of the Preliminary Official Statement.

(j) In the event the Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, as applicable, determines prior

to or upon the sale of the 2021 Taxable Bonds provided for in Section 9 hereof that market conditions are not favorable for a current refunding of any portion of the outstanding principal installments of the 2012 Taxable Bond due on and after July 1, 2022 plus accrued interest thereon, the Mayor may determine that the 2021 Taxable Bonds shall not be issued. In such event, all references in this Resolution to the 2021 Taxable Bonds, the current refunding and prepayment of all or any portion of the principal installments due on the 2012 Taxable Bond on or after July 1, 2022 together with accrued interest thereon, and the applicable provisions of the Enabling Act, the Refunding Act, the Charter and Ordinance No. 2223 serving as authority for the issuance of the 2021 Taxable Bonds shall be deemed to be inapplicable and disregarded, all references in this Resolution to the 2021 Taxable Bonds shall be deemed to be inapplicable and disregarded, and references in this Resolution to the 2021 Bonds shall be construed to relate solely to the 2021 Tax-Exempt Bonds, subject to the provisions of subsection (i) above. Any such determination made prior to the sale of the 2021 Taxable Bonds (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made after release of the Preliminary Official Statement.

(k) Notwithstanding the foregoing provisions of this Section 4, the Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, as applicable, may determine that interest payment dates on any series of the 2021 Bonds will be other than March 1 and September 1, and principal payment dates will be other than September 1, in order to accommodate cash flow, budgetary or other considerations including, without limitation, to align such payment dates with or closer to the payment dates on any of the 2010 Tax-Exempt Bond, the 2012 Taxable Bond and/or the 2013 Tax-Exempt Bond. Any such adjustments to the interest and principal payment dates for the 2021 Bonds (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such adjustments are made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such adjustments are made after release of the Preliminary Official Statement.

(l) The Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, as applicable, is hereby authorized and empowered, to the extent not prohibited by applicable law, in making any adjustments to the amortization schedules for the 2021 Bonds in accordance with subsections (c) and (e) above and in accordance with Section 9 of this Resolution, to determine that any unexpended proceeds of the 2010 Tax-Exempt Bond, the 2012 Taxable Bond and/or the 2013 Tax-Exempt Bond, if any, as well as any other available moneys, shall be applied to the prepayment of the 2010 Tax-Exempt Bond, the 2012 Taxable Bond and/or the 2013 Tax-Exempt Bond and/or costs of issuance of the 2021 Bonds, thereby reducing the amount of the proceeds of the respective series of the 2021 Bonds needed for such purposes, as applicable.

(m) Appropriate provisions relating to any determinations made by the Mayor in accordance with the provisions of this Section 4 may be reflected in the order or orders of award executed and delivered by the Mayor in connection with the sale of the 2021 Bonds, in the Official Statement provided for in Section 10(b) of this Resolution, in the final form of the applicable series

of the 2021 Bonds executed and delivered in connection with Sections 6 and 8 hereof, in a separate order of the Mayor, in the Section 148 Certificate provided for in Section 16 hereof (with respect to the 2021 Tax-Exempt Bonds) and, to the extent any such determinations are made prior to the release of the Preliminary Official Statement, in the Preliminary Official Statement, as applicable.

SECTION 5. AND BE IT FURTHER RESOLVED that:

(a) Subject to the further provisions of Section 9 of this Resolution, the 2021 Tax-Exempt Bonds that mature on and after September 1, 2032 are subject to redemption prior to maturity at the option of the City, in whole or in part, on any date on and after September 1, 2031, in any order of maturity directed by the City, at a redemption price of the par amount of the 2021 Tax-Exempt Bonds to be redeemed, together with interest accrued on the par amount being redeemed to the date fixed for redemption, without premium or penalty. Notwithstanding the foregoing provisions of this subsection (a), in the event the interest and principal payment dates of the 2021 Bonds are adjusted in accordance with Section 4(k) of this Resolution, the optional redemption features of the 2021 Tax-Exempt Bonds shall be adjusted accordingly by the Mayor; and provided further that the Mayor, with the advice of the City Administrator, the Director of Finance and the financial advisor to the City, is also authorized to adjust the date as of which the 2021 Tax-Exempt Bonds shall first be subject to redemption at the option of the City in a manner that does not adversely affect the interests of the City (taking into account market conditions). Any such adjustments contemplated by this subsection (a) (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made after release of the Preliminary Official Statement.

(b) The 2021 Taxable Bonds shall not be subject to redemption prior to maturity at the option of the City.

(c) If fewer than all of the 2021 Tax-Exempt Bonds of any one maturity shall be called for redemption at the option of the City, the particular 2021 Tax-Exempt Bonds or portions thereof to be redeemed from such maturity shall be selected by lot by the Bond Registrar and Paying Agent; provided that, so long as the 2021 Tax-Exempt Bonds are registered in the name of a Securities Depository or its nominee, such selection shall be made by such Securities Depository in accordance with its rules and regulations.

(d) When less than all of a 2021 Tax-Exempt Bond in a denomination in excess of \$5,000 is redeemed by optional redemption, 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 2021 Tax-Exempt Bond, at the option of such owner, 2021 Tax-Exempt Bonds of the same maturity in any of the authorized denominations specified by the registered owner. The aggregate face amount of 2021 Tax-Exempt Bonds so issued shall be equal to the unredeemed balance of the principal amount of the 2021 Tax-Exempt Bond surrendered, and the 2021 Tax-Exempt Bonds issued shall bear interest at the same rate and shall mature on the same date as the unredeemed balance of the 2021 Tax-Exempt Bond surrendered.

(e) When any 2021 Tax-Exempt Bonds are to be redeemed by optional redemption, the City shall cause a redemption notice to be given to the registered owners of the 2021 Tax-Exempt Bonds to be redeemed in whole or in part by first class mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar and Paying Agent; provided, however, that the failure to mail a redemption notice or any defect in a notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the 2021 Tax-Exempt 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 2021 Tax-Exempt Bonds to be redeemed, (ii) that the interest on the 2021 Tax-Exempt 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, (v) any conditions to such redemption, and (vi) that the 2021 Tax-Exempt 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. Notwithstanding anything to the contrary contained in this subsection (e), so long as the 2021 Tax-Exempt Bonds to be redeemed at the option of the City in whole or in part are registered in book-entry only form with a Securities Depository, any redemption notice relating to such 2021 Tax-Exempt Bonds or portions thereof shall be given in the manner and at the time required by the rules and regulations of such Securities Depository.

(f) From and after the date fixed for redemption, if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the 2021 Tax-Exempt Bonds or portions thereof designated for redemption shall cease to bear interest from and after such date. Upon presentation and surrender for redemption, the 2021 Tax-Exempt Bonds or portions thereof to be redeemed shall be paid by the Bond Registrar and Paying Agent at the redemption price, plus accrued interest on the principal amount being redeemed to the date fixed for redemption. If they are not paid upon presentation, the 2021 Tax-Exempt Bonds or portions thereof designated for redemption shall continue to bear interest at the rate or rates stated therein until paid.

SECTION 6. AND BE IT FURTHER RESOLVED that the 2021 Bonds shall be executed in the name of the City and on its behalf by the Mayor, by manual or facsimile signature or by any other means authorized by applicable law. The corporate seal of the City shall be affixed to the 2021 Bonds (manually or by facsimile or by any other means authorized by applicable law) and attested by the signature of the City Clerk of the City (the "City Clerk"), by manual or facsimile signature or by any other means authorized by applicable law. The 2021 Bonds shall be issued subject to registration as to principal and interest in the name of the owner or owners thereof on the books kept for registration and registration of transfer of the 2021 Bonds of each series at the designated office of the Bond Registrar and Paying Agent. The 2021 Bonds shall be authenticated by the manual signature of an authorized officer of the Bond Registrar and Paying Agent (or by any other means authorized by applicable law). The 2021 Bonds shall not be valid for any purpose or constitute an obligation of the City unless so authenticated. In the event any official of the City whose signature appears on the 2021 Bonds shall cease to be such official prior to the delivery of the 2021 Bonds, or, in the event any such official whose signature appears on the 2021 Bonds shall have become such after the date of issue thereof, the 2021 Bonds shall nevertheless be valid and binding obligations of the City in accordance with their terms.

SECTION 7. AND BE IT FURTHER RESOLVED that:

(a) Any 2021 Bond shall be transferable only upon the registration books kept for the applicable series of the 2021 Bonds at the designated office of the Bond Registrar and Paying Agent by the registered owner in person, or by his duly authorized attorney in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and Paying Agent and duly executed by the registered owner thereof in person, or by his attorney duly authorized in writing, but no 2021 Bond will be transferred unless the Security Depository then in place determines to discontinue providing its services as a securities depository or directs that the 2021 Bonds of such series be re-registered in a different name or denomination, or unless the Securities Depository then in place is removed by the City.

(b) A 2021 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 2021 Bond or 2021 Bonds of the same series in authorized denomination or denominations equal to the aggregate principal amount of the 2021 Bond transferred or exchanged, with the same maturity date, and bearing interest at the same rate. Any such new 2021 Bond or 2021 Bonds issued in transfer or exchange may be executed and sealed as provided in Section 6 hereof with respect to the original execution and delivery of the 2021 Bonds, or as otherwise required by then-applicable law, and appropriate changes may be made to the form of such 2021 Bond delivered in transfer or exchange to account for the dated date of such replacement 2021 Bond or the outstanding principal amount of such replacement 2021 Bond. In each case, the Bond Registrar and Paying Agent may require payment by the registered owner requesting such transfer or exchange of any tax, fee or other governmental charge, shipping charges or insurance that may be required to be paid with respect to such transfer or exchange, but otherwise no charge shall be made to the registered owner for such transfer or exchange.

(c) The Bond Registrar and Paying Agent shall not be required to transfer or exchange any 2021 Tax-Exempt Bond after the mailing or giving of notice of call of such 2021 Tax-Exempt Bond for redemption in whole or in part at the City's option.

(d) If any 2021 Bond shall become mutilated or be destroyed, lost or stolen, the City in its discretion may execute, and upon its request the Bond Registrar and Paying Agent shall authenticate and deliver, a new 2021 Bond of the same series in exchange for the mutilated 2021 Bond or in lieu of and substitution for the 2021 Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the City and to the Bond Registrar and Paying Agent such security or indemnity as may be required by them to save each of them harmless from all risks, however remote, and the applicant shall also furnish to the City and to the Bond Registrar and Paying Agent evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's 2021 Bond. Upon the issuance of any 2021 Bond upon such exchange or substitution, the City may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses of the City or the Bond Registrar and Paying Agent, including counsel fees and expenses, shipping charges or insurance. If any 2021 Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a 2021 Bond in exchange or substitution therefor,

the City may pay or authorize the payment of such 2021 Bond (without surrender thereof except in the case of a mutilated 2021 Bond) if the applicant for such payment shall furnish to the City and to the Bond Registrar and Paying Agent such security or indemnity as they may require to save them harmless, and evidence to the satisfaction of the City and the Bond Registrar and Paying Agent of the mutilation, destruction, loss or theft of such 2021 Bond.

SECTION 8. AND BE IT FURTHER RESOLVED that except as provided hereinafter or in a resolution or resolutions of the Council adopted prior to the issuance of the 2021 Bonds, each series of the 2021 Bonds shall be issued in substantially the form attached hereto as Exhibit A and incorporated by reference herein. Appropriate variations, deletions and insertions may be made by the Mayor to reflect determinations made in accordance with the provisions of this Resolution, to provide names, dates, numbers, interest rates and amounts, to provide for details specific to a particular series of the 2021 Bonds, to comply with recommendations of legal counsel, as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating on the 2021 Bonds from such rating agency, or to make other modifications not specifically provided for herein that do not materially alter the substance of the 2021 Bonds. All of the covenants contained in the form attached hereto as Exhibit A, as such form shall be finally completed and executed in accordance with Section 6 and this Section 8, are hereby adopted by the City as and for the forms of obligations to be incurred by the City, and the covenants and conditions contained therein are hereby made binding upon the City, including the promise to pay therein contained. The execution and delivery of a series of the 2021 Bonds by the Mayor in accordance with this Resolution shall be conclusive evidence of the approval by the Mayor of the form of such series of the 2021 Bonds and any variations, insertions, omissions, notations, legends or endorsements authorized by this Resolution.

SECTION 9. AND BE IT FURTHER RESOLVED that:

(a) The Council has determined, based on the advice of the financial advisor to the City and with the concurrence of the City Administrator and the Director of Finance in such advice, to sell each series of the 2021 Bonds at public sale by solicitation of competitive bids due to the expected issue sizes and the expectation that such a public sale will result in the lowest true interest costs for each series of the 2021 Bonds as opposed to a sale through a negotiated underwriting or a direct purchase transaction. Electronic bids only shall be submitted through the BiDCOMP/Parity@/www.i-dealprospectus.com system (referred to herein, as applicable, as "Parity"). Each series of the 2021 Bonds shall be offered for sale, subject to the further provisions of this Resolution, at public sale by competitive bidding on Wednesday, August 18, 2021, with electronic bids for the 2021 Tax-Exempt Bonds to be accessible at 10:15 A.M. prevailing Eastern time and electronic bids for the 2021 Taxable Bonds to be accessible at 10:30 A.M. prevailing Eastern time, or on such other date and/or at such other times as may be determined by the Mayor, who is hereby authorized and empowered to fix such other date and/or times for the sale of the 2021 Bonds as he shall determine is necessary or appropriate after consulting with the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, including, without limitation, to account for shifts in market conditions and/or to accommodate other scheduling considerations. Any such other date of sale and/or times of sale for either series of the 2021 Bonds as determined by the Mayor (i) shall be reflected in the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is

made prior to release of the Preliminary Official Statement, or (ii) shall be communicated in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement if such determination is made after release of the Preliminary Official Statement.

(b) Subject to the further provisions of this Section 9, the City shall sell each series of the 2021 Bonds for cash at not less than par to the bidder therefor whose bid is determined to be the best responsible bid received in compliance with the terms and conditions of the Official Notice of Sale, unless the Mayor determines to reject all bids for a series of the 2021 Bonds. The successful bidder for each series of the 2021 Bonds will be required to provide a good faith deposit of 1% of the par amount of such series of the 2021 Bonds (such 1% amount to be based on the par amount of each series of the 2021 Bonds provided for in the Notice of Sale included as an appendix to the Preliminary Official Statement).

(c) The Council hereby determines in accordance with Section SC7-46 of the Charter that it is in the best interest of the City to provide public notice of the sale of the 2021 Bonds (the "Notice of Sale") by including the Notice of Sale as an appendix to the Preliminary Official Statement, which Preliminary Official Statement shall be available electronically by being posted on www.i-dealprospectus.com. The Notice of Sale may also be disseminated or made available by such other means as the financial advisor to the City may recommend. The Notice of Sale shall be in substantially the form attached hereto as Exhibit B and incorporated by reference herein. Appropriate variations, modifications and insertions may be made to the Notice of Sale by the Mayor, on behalf of the City, with the advice of the City Administrator, the Director of Finance, bond counsel to the City and/or the financial advisor to the City, prior to the release of the Preliminary Official Statement, to provide dates, numbers and amounts, to reflect determinations made in accordance with the provisions of this Resolution, to change the bid specification parameters or the times by when bids must be submitted, to modify the manner of adjusting the amortization schedule pre- or post-sale, to modify the amount or method of delivery for the good faith deposit for either series of the 2021 Bonds, to modify the method of establishing the issue price of the 2021 Tax-Exempt Bonds in accordance with Section 1.148-1 of the Treasury Regulations (as defined in Section 16 hereof), to change the date or dates for delivery of the 2021 Bonds, to comply with recommendations of legal counsel or the financial advisor to the City, or to undertake other modifications not materially altering the substance of the Notice of Sale attached hereto as Exhibit B to carry into effect the purposes of this Resolution. The terms and conditions stated in the Notice of Sale as so included as an appendix to the Preliminary Official Statement, as the same may be further modified as provided in subsection (e) below, are made a part hereof and are hereby adopted and approved as the terms and conditions under which and the manner in which the 2021 Bonds shall be sold, issued and delivered at public sale.

(d) The Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, is hereby further authorized and empowered to make any determinations or to take any actions provided for in this Resolution or the Notice of Sale subsequent to the release of the Preliminary Official Statement, including (without limitation) making further modifications to the Notice of Sale of the nature contemplated by subsection (c) above. Any such additional modifications will be made prior to the sale through

or on TM3 News Service or Parity; in addition, the Mayor may, but shall not be required, to execute and deliver an order or orders providing for such modifications.

(e) The form of Notice of Sale set forth as an appendix to the Preliminary Official Statement (as such Notice of Sale set forth as an appendix to the Preliminary Official Statement may be further modified in accordance with the provisions of this Section 9), shall control the terms on which each series of the 2021 Bonds shall be offered for sale and shall constitute the official Notice of Sale for the 2021 Bonds (the "Official Notice of Sale"). The terms and conditions stated in the Official Notice of Sale are made a part hereof and are hereby adopted and approved as the terms and conditions under which and the manner in which the 2021 Bonds shall be sold at public sale.

(g) After accessing the electronic bids for a series of the 2021 Bonds, the Mayor is hereby authorized and empowered to reject all bids for such series of the 2021 Bonds if the Mayor determines with the advice of the financial advisor to the City, the City Administrator, the Director of Finance or bond counsel to the City that such action is in the City's best interest. Assuming bids for a series of the 2021 Bonds are not so rejected, the Mayor shall conduct the sale and shall sell such series of the 2021 Bonds in the name of the City and on its behalf for cash at no less than par (and within any premium limitations provided for in the Official Notice of Sale) to the bidder whose bid is determined to be the best responsible bid received for such series of the 2021 Bonds in compliance with the terms and conditions of the Official Notice of Sale. With the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, the Mayor is hereby authorized and empowered to adjust the original aggregate principal amount of each series of the 2021 Bonds and/or to adjust the amortization schedule therefor following receipt of bids for such series in accordance with the provisions of the Official Notice of Sale if the Mayor determines with the advice of the financial advisor to the City and the Director of Finance that such action is in the City's best interest, and to determine (A) the principal installments due on and after October 1, 2022 of the 2010 Tax-Exempt Bond, (B) the principal installments due on and after July 1, 2022 of the 2013 Tax-Exempt Bond, and (C) the principal installments due on and after July 1, 2022 of the 2012 Taxable Bond to be currently refunded and prepaid in whole or in part, together with accrued interest on such refunded principal, as applicable, and the final original aggregate principal amounts of, and final amortization schedule for, each series of the 2021 Bonds for which bids have not been rejected, shall be evidenced conclusively by the Mayor's execution and delivery of an order or orders of award of the 2021 Bonds reflecting such determinations. The award of, or rejection of all bids for, each series of the 2021 Bonds may also be reflected on Parity. Any award of a series of the 2021 Bonds shall be made after receipt of the good faith deposit therefor in accordance with the provisions of the Official Notice of Sale.

(h) Notwithstanding anything to the contrary contained in this Resolution, in the event all bids for a series of the 2021 Bonds are rejected at a sale actually conducted and a new alternative sale date is established for such series of the 2021 Bonds in accordance with the Official Notice of Sale, the Mayor, on behalf of the City, is hereby authorized and empowered to change the dated date of such series of the 2021 Bonds, the principal and interest payment dates for such series of the 2021 Bonds, the amortization schedule for such series of the 2021 Bonds, the optional redemption features of the 2021 Tax-Exempt Bonds (subject to the provisions of Section 5 hereof), if applicable, and the date of delivery of such series of the 2021 Bonds accordingly, such changes to be disseminated or otherwise made available through or on TM3 News Service or Parity as

provided in this Section 9 and to be evidenced conclusively by the Mayor's execution and delivery of an order or orders pursuant to the provisions of and within any limitations specified in this Resolution and the Official Notice of Sale.

(i) References in this Resolution to the successful bidder for a series of the 2021 Bonds are deemed to be to multiple successful bidders for such series in the event such series of the 2021 Bonds is allocated among bidders in accordance with the Official Notice of Sale.

SECTION 10. AND BE IT FURTHER RESOLVED that:

(a) The preparation and distribution of a Preliminary Official Statement of the City in connection with the issuance and sale of the 2021 Bonds (the "Preliminary Official Statement"), in such form as may be approved by the Mayor and the Director of Finance, is hereby approved. The Mayor and the Director of Finance, on behalf of the City, are hereby authorized and directed to approve the final form of the Preliminary Official Statement in accordance with this Section 10(a) and to make any appropriate variations, insertions or modifications to the Preliminary Official Statement not inconsistent with the provisions of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2675, Ordinance No. 2115, Ordinance No. 2273 or Ordinance No. 2223, as applicable, or this Resolution, or to comply with the recommendations of appropriate City officials, legal counsel or the financial advisor to the City, or as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating on the 2021 Bonds from any such rating agency, such approval to be evidenced conclusively by the execution and delivery by the Mayor and the Director of Finance, on behalf of the City, of a certificate deeming the Preliminary Official Statement to be final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), subject to revision, completion and amendment in a final official statement. The Preliminary Official Statement shall be posted electronically and/or printed as the financial advisor to the City shall advise.

(b) The preparation and distribution of a final Official Statement relating to the 2021 Bonds (the "Official Statement"), substantially in the form of the Preliminary Official Statement, with such changes, corrections, additions and deletions not inconsistent with the provisions of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2675, Ordinance No. 2115, Ordinance No. 2273 or Ordinance No. 2223, applicable, or this Resolution, to reflect matters determined in connection with the sale of the 2021 Bonds, or to comply with the recommendations of the City Administrator, the Director of Finance, legal counsel or the financial advisor to the City, or as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating on either series of the 2021 Bonds from any such rating agency, as the Mayor and the Director of Finance shall approve on behalf of the City, is hereby authorized and approved. The Mayor and the Director of Finance are hereby authorized and directed to approve the final form of the Official Statement on behalf of the City, such approval to be evidenced conclusively by the Mayor's and the Director of Finance's execution and delivery of the Official Statement. The Official Statement shall be posted electronically and/or printed as the financial advisor to the City shall advise and as may be required by the successful bidders for the 2021 Bonds.

(c) The Mayor and the Director of Finance, with the advice of, to the extent applicable, other appropriate City officials, legal counsel or the financial advisor to the City, as applicable, are hereby authorized and directed to approve any supplements or amendments to the Preliminary Official Statement or the Official Statement deemed necessary or desirable after the printing or posting of the same (including, without limitation, to correct any material misstatement or omission or to provide any information that was not available at the time such Preliminary Official Statement or Official Statement was released), such approval to be evidenced conclusively by the Mayor's and the Director of Finance's execution and delivery of any such supplement or amendment. Any such supplement or amendment to the Preliminary Official Statement or the Official Statement may be posted electronically and/or printed as the financial advisor to the City shall advise or as the successful bidders for the 2021 Bonds may require, as applicable.

(d) Any signature of the Mayor or the Director of Finance contemplated by this Section 10 may be made in facsimile or indicated by other customary signature convention rather than by manual signature.

SECTION 11. AND BE IT FURTHER RESOLVED that:

(a) Manufacturers and Traders Trust Company, with offices in Baltimore, Maryland and Buffalo, New York, any affiliate thereof, or any successor thereto, by merger, consolidation, or otherwise, is hereby designated as Bond Registrar and Paying Agent (the "Bond Registrar and Paying Agent") for both series of the 2021 Bonds. The Mayor is hereby authorized to execute and deliver such written agreement with the Bond Registrar and Paying Agent as he shall deem to be necessary or appropriate. The City may designate another entity as Bond Registrar and Paying Agent for the 2021 Bonds upon 30 days' prior written notice to the registered owners of the affected series of the 2021 Bonds.

(b) Prior to each semi-annual interest payment date, the Director of Finance or other appropriate City official or employee shall deposit with the Bond Registrar and Paying Agent, from the tax proceeds described in Section 15 below and from any other funds then legally available for such purpose, the amounts needed to pay the interest on and any principal of the 2021 Bonds coming due on each such interest payment date. All moneys so deposited with the Bond Registrar and Paying Agent shall be deemed and treated by the Bond Registrar and Paying Agent as trust funds for the use and benefit of the registered owners from time to time of the applicable series of the 2021 Bonds. Any such trust funds held by the Bond Registrar and Paying Agent for the payment of particular 2021 Bonds for periods of more than three years from their maturities or such other periods as may be required by applicable law, because of the failure of the registered owners of such 2021 Bonds to present them for payment or because checks issued by the Bond Registrar and Paying Agent in payment of interest shall not have been cashed and no registered owner of a 2021 Bond shall have established a right to payment of interest within such period, shall be returned by the Bond Registrar and Paying Agent to the City and, thereafter, the registered owners of any such 2021 Bonds shall have claims only against the City for payment of the obligations held by them, and the Bond Registrar and Paying Agent shall be relieved of the trust hereby imposed.

SECTION 12. AND BE IT FURTHER RESOLVED that the Mayor and the Director of Finance shall approve, execute and deliver in the name and on behalf of the City a continuing disclosure undertaking for the benefit of the owners and beneficial owners of the 2021 Bonds in order to assist the bidders for the 2021 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The City shall covenant in the continuing disclosure undertaking that the City will provide to the repository or repositories required by Securities and Exchange Commission Rule 15c2-12, specified annual financial information and operating data and annual audited financial statements. The City shall further covenant in the continuing disclosure undertaking to provide notice of the occurrence of certain specified events to the repository or repositories required by Securities and Exchange Commission Rule 15c2-12. The continuing disclosure undertaking may provide that the place or places of delivery of such information shall be subject to change in accordance with the rules and pronouncements of the Securities and Exchange Commission or other appropriate authority and shall otherwise meet the requirements of Rule 15c2-12.

SECTION 13. AND BE IT FURTHER RESOLVED that as soon as may be practicable after the sale hereinabove provided for has been held, the 2021 Bonds of each series (unless all bids for a series of the 2021 Bonds are rejected in accordance with Section 9 hereof) shall be suitably prepared in definitive form, executed and delivered to the respective successful bidder therefor upon receipt of the purchase price therefor, less the good faith deposit for such series of the 2021 Bonds provided for in the Official Notice of Sale, and less the underwriter's discount retained by the successful bidder for such series of the 2021 Bonds. It is anticipated that the date of issuance of the 2021 Bonds will be September 1, 2021; provided that, the Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and bond counsel to the City, may determine to move the date of issuance of the 2021 Bonds to another date satisfactory to such persons. The Mayor, the City Administrator, the Director of Finance, the City Clerk and all other appropriate officials and employees of the City are expressly authorized, empowered and directed to (i) take any and all action not otherwise expressly provided for herein that is appropriate or necessary to complete and close the award, sale and delivery of each series of the 2021 Bonds to the successful bidder therefor, (ii) negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith that are not otherwise expressly provided for herein, including, without limitation, executing and delivering any agreements required by any rating agency rating the 2021 Bonds or by DTC with respect to the book-entry system of registration of the 2021 Bonds, and (iii) carry out the transactions contemplated by Ordinance No. 2675, Ordinance No. 2115, Ordinance No. 2273 and Ordinance No. 2223, as applicable, this Resolution, and any documents, certificates or instruments executed and delivered in connection with the 2021 Bonds. Any such action taken by the applicable officials or employees prior to adoption of this Resolution is hereby ratified, confirmed and approved by virtue of the adoption of this Resolution.

SECTION 14. AND BE IT FURTHER RESOLVED that:

(a) The net proceeds of the sale of the 2021 Tax-Exempt Bonds shall be paid to the Director of Finance or other authorized City official or employee. The proceeds of the 2021 Tax-Exempt Bonds shall be deposited in the proper account or accounts of the City, may be invested within the limits prescribed by Maryland and federal law, and shall be used and applied exclusively for the purposes described herein. Within any applicable limitations of the Internal Revenue Code of 1986, as amended (the "Code"), or Maryland law, any investment earnings on proceeds of the 2021 Tax-

Exempt Bonds received by the City may be applied to pay Costs of the 2021 New Money Projects, to pay costs of issuance of the 2021 Tax-Exempt Bonds, to pay debt service on the 2021 Tax-Exempt Bonds or for any other legal purpose. The City, without notice to or the consent of the owners of the 2021 Tax-Exempt Bonds, may allocate and reallocate proceeds of the 2021 Tax-Exempt Bonds to qualifying expenditures by resolution or as otherwise allowed by applicable law. Nothing in this Resolution shall be construed to authorize the expenditure of any moneys constituting proceeds of the 2021 Tax-Exempt Bonds except for a proper public purpose.

(b) The net proceeds of the sale of the 2021 Taxable Bonds shall be paid to the Director of Finance or other authorized City official or employee. The proceeds of the 2021 Taxable Bonds shall be deposited in the proper account or accounts of the City, may be invested within the limits prescribed by Maryland and federal law, and shall be used and applied exclusively for the purposes described herein. Within any applicable limitations of Maryland law, any investment earnings on proceeds of the 2021 Taxable Bonds received by the City may be applied to pay costs of issuance of the 2021 Taxable Bonds or to pay debt service on the 2021 Taxable Bonds or for any other legal purpose. The City, without notice to or the consent of the owners of the 2021 Taxable Bonds, may allocate and reallocate proceeds of the 2021 Taxable Bonds to qualifying expenditures by resolution or as otherwise allowed by applicable law. Nothing in this Resolution shall be construed to authorize the expenditure of any moneys constituting proceeds of the 2021 Taxable Bonds except for a proper public purpose.

(c) Notwithstanding the foregoing provisions of this Section 14, any portion of the proceeds of either series of the 2021 Bonds to be applied to costs of issuance (other than with respect to underwriter's discount for each series, which will be retained by the successful bidder for each series) or to the prepayment of any of the 2010 Tax-Exempt Bond, the 2013 Tax-Exempt Bond or the 2012 Taxable Bond, may be paid by the successful bidder for the applicable series of the 2021 Bonds directly to the person or entity entitled thereto at the written direction of the appropriate official or officials of the City.

SECTION 15. AND BE IT FURTHER RESOLVED that for the purpose of paying the principal of and interest on the 2021 Bonds when due, the City shall impose, for each and every fiscal year during which the 2021 Bonds may be outstanding, ad valorem taxes on all real and tangible personal property in the City that is subject to assessment for unlimited municipal taxation at a rate and in an amount sufficient to pay the principal of and interest on the 2021 Bonds in each such fiscal year. In the event the proceeds from the collection of the taxes so imposed may prove inadequate for such purposes in any fiscal year, additional taxes shall be imposed in the subsequent fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the City are hereby pledged to the payment of the principal of and interest on the 2021 Bonds as and when the same become due and are payable and to the imposition of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the 2021 Bonds. The City hereby covenants with the registered owners of the 2021 Bonds to take any further action that may be lawfully appropriate from time to time during the period that the 2021 Bonds remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and interest due thereon. The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on the 2021 Bonds from the proceeds of the sale of any other obligations of the City or from any other funds legally available for that purpose,

including, without limitation, (A) with respect to an allocable portion of the 2021 New Money Project identified as Northwood and Brewington Branch Culvert, from the Stormwater Utility Fund (as such fund may be reconstituted or renamed) or (B) any sources of funds from which the City has been paying allocable debt service on the 2010 Tax-Exempt Bond, the 2013 Tax-Exempt Bond or the 2012 Taxable Bond, as applicable. Subject to any limitation provided for in the Code (with respect to the 2021 Tax-Exempt Bonds) or other applicable law, the City may apply to the payment of the principal of or interest on the 2021 Bonds any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if such funds are granted or paid to the City for the purpose of assisting the City in accomplishing the type of project or projects which the 2021 Bonds are issued to refinance or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

SECTION 16. AND BE IT FURTHER RESOLVED that:

(a) Any two or more of the Mayor, the City Administrator and the Director of Finance are the officials of the City responsible for the issuance of the 2021 Tax-Exempt Bonds within the meaning of Section 1.148-2(b)(2) of the Treasury Regulations. Any two or more of the Mayor, the City Administrator and the Director of Finance also shall be the officials of the City responsible for the execution and delivery (on the date of the issuance of the 2021 Tax-Exempt Bonds) of a certificate of the City (the "Section 148 Certificate") that complies with the requirements of Section 148 of the Code and the applicable income tax regulations (the "Treasury Regulations"), and such officials are hereby authorized and directed to approve, execute and deliver the Section 148 Certificate to counsel rendering an opinion on the validity and tax status of the 2021 Tax-Exempt Bonds on the date of the issuance of the 2021 Tax-Exempt Bonds.

(b) The City shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the 2021 Tax-Exempt Bonds or of any monies, securities or other obligations to the credit of any account of the City that may be deemed to be proceeds of the 2021 Tax-Exempt Bonds pursuant to Section 148 of the Code or the Treasury Regulations (collectively, the "2021 Tax-Exempt Bond Proceeds"). The City covenants with the registered owners of the 2021 Tax-Exempt Bonds that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the City's reasonable expectations on the date of issuance of the 2021 Tax-Exempt Bonds and will be, to the best of the certifying officials' knowledge, true and correct as of that date.

(c) The City covenants with the registered owners of the 2021 Tax-Exempt Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the 2021 Tax-Exempt Bond Proceeds that would cause the 2021 Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Treasury Regulations, to the extent applicable, and that it will comply with those provisions of Section 148 of the Code and the Treasury Regulations as may be applicable to the 2021 Tax-Exempt Bonds on the date of issuance and which may subsequently lawfully be made applicable to the 2021 Tax-Exempt Bonds as long as the 2021 Tax-Exempt Bonds remain outstanding and unpaid.

(d) The City specifically covenants that it will comply with the provisions of the Code and the Treasury Regulations applicable to the 2021 Tax-Exempt Bonds, including, without limitation, compliance with provisions regarding the timing of the expenditure of the proceeds of the 2021 Tax-Exempt Bonds, the use of such proceeds and the projects or purposes financed or refinanced with such proceeds, the restriction of investment yields, the filing of information with the Internal Revenue Service, and the rebate of certain earnings resulting from the investment of the proceeds of the 2021 Tax-Exempt Bonds or payments in lieu thereof. The City further covenants that it shall make such use of the proceeds of the 2021 Tax-Exempt Bonds, regulate the investment of the proceeds thereof and take such other and further actions as may be required to maintain the exemption from federal income taxation of interest on the 2021 Tax-Exempt Bonds. All officials, officers, employees and agents of the City are hereby authorized and directed to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the 2021 Tax-Exempt Bonds as may be necessary or appropriate.

(e) The officials identified in this Section 16 may set forth in, or provide for in, the Section 148 Certificate and/or the IRS Form 8038-G to be filed in connection with the issuance of the 2021 Tax-Exempt Bonds, any issue elections, designations, determinations or allocations or representations or certifications deemed necessary or desirable following consultation with bond counsel to the City, including, without limitation, any applicable representations or certifications to the extent the City qualifies for the exception as a small issuer from the arbitrage rebate requirement provided for in Section 148(f)(4)(D) of the Code. Only one of the Mayor, the City Administrator or the Director of Finance needs to approve and sign the IRS Form 8038-G on behalf of the City.

(f) In addition, to the extent the sizing of the 2021 Tax-Exempt Bonds will allow the City to designate the 2021 Tax-Exempt Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to the exception from the disallowance of the deduction for that portion of a financial institution's interest expense that is allocable to tax-exempt interest), the Mayor is hereby authorized, on behalf of the City, with the advice of the Director of Finance, to (1) provide for such designation, (2) specify such designation in the Notice of Sale included as an appendix to the Preliminary Official Statement and in other appropriation provisions of the Preliminary Official Statement if such determination is made prior to release of the Preliminary Official Statement, (3) communicate such designation in accordance with the provisions of the Notice of Sale included as an appendix to the Preliminary Official Statement and to reflect such designation in appropriate provisions of the Official Statement if such determination is made after release of the Preliminary Official Statement, and (4) ensure that such designation is reflected in the Section 148 Certificate.

SECTION 17. AND BE IT FURTHER RESOLVED that:

(a) Conditioned only upon the delivery of and payment for the 2021 Tax-Exempt Bonds, the Council hereby elects to prepay any portion of the 2010 Tax-Exempt Bond and the 2013 Tax-Exempt Bond finally selected for prepayment in accordance with the provisions of this Resolution on or promptly following the date of issuance of the 2021 Tax-Exempt Bonds.

(b) Conditioned only upon the delivery of and payment for the 2021 Taxable Bonds, the Council hereby elects to prepay the portion of the 2012 Taxable Bond finally selected for prepayment in accordance with the provisions of this Resolution on or promptly following the date of issuance of the 2021 Taxable Bonds.

(c) Each of the Mayor and/or the Director of Finance are each hereby authorized to negotiate with the holder of the 2010 Tax-Exempt Bond to allow such bond to be prepaid in whole on any date (rather than on the first business day of each month), to the extent recommended by the financial advisor to the City or bond counsel to the City, and any such agreement of such holder and the City shall be evidenced conclusively by such holder's agreement to any such alternative prepayment date.

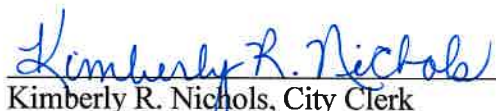
(d) The Mayor, with the advice of the City Administrator, the Director of Finance, the financial advisor to the City and the bond counsel to the City, shall select the date or dates for prepayment of the refunded portions of the 2010 Tax-Exempt Bond, the 2013 Tax-Exempt Bond and/or the 2012 Taxable Bond, as applicable, within the limitations of this Section 17. The Mayor and/or the Director of Finance may give notice of the prepayment of any portion of the 2010 Tax-Exempt Bond, the 2013 Tax-Exempt Bond and/or the 2012 Taxable Bond, as applicable, to the extent the holder of any such obligation does not waive notice of such prepayment. Any such notice of prepayment may be conditional.

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

SECTION 19. AND BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

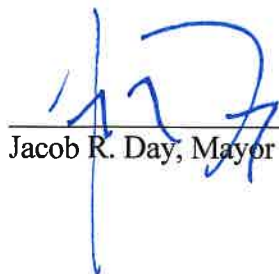
THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 9th day of August, 2021.

ATTEST:


Kimberly R. Nichols, City Clerk


John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS 10th DAY OF AUGUST, 2021:


Jacob R. Day, Mayor

#222994;58111.043

EXHIBIT A

FORMS OF BONDS

Note: Bracketed language is intended to reflect that such provisions apply only to one series of the 2021 Bonds or apply only in certain circumstances, and such language shall be deleted from or included in the final form of 2021 Bond for the series of the 2021 Bonds to which it is inapplicable or applicable, as appropriate. Any other applicable revisions to this form may be made in accordance with the provisions of this Resolution to reflect other provisions permitted by the provisions of this Resolution.

[2021 Tax-Exempt Bonds, if applicable: CITY OF SALISBURY HAS DESIGNATED THIS BOND A QUALIFIED TAX-EXEMPT OBLIGATION WITHIN THE MEANING OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.]

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

[TAX-EXEMPT PUBLIC IMPROVEMENT AND REFUNDING BOND OF 2021]
[TAXABLE REFUNDING BOND OF 2021]

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
September 1, 20__	%	_____, 2021	

Registered Owner:

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 [2021 Tax-Exempt Bonds: (unless this bond shall be redeemable by redemption at the option of the City, 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 Dated 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 March 1, 2022 and on each September 1 and March 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 Manufacturers and Traders Trust Company, as bond registrar and paying agent (the "Bond Registrar and Paying Agent") in Wilmington, Delaware 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 series 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 series of bonds of which this bond is a part. If a principal payment date or interest payment date falls on a Saturday, a 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, a Sunday or a day on which the City or the Bond Registrar and Paying Agent is authorized or obligated by law to remain closed, and no interest shall accrue on the scheduled amount due 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, aggregating \$_____ in original aggregate principal amount, dated _____, 2021 and designated "City of Salisbury [Tax-Exempt Public Improvement and][Taxable] Refunding Bonds of 2021" (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 the City, as replaced, supplemented or amended, and by virtue of due proceedings had and taken by the Council of the City (the "Council"), particularly [2021 *Tax-Exempt Bonds*: Ordinance No. 2675, which was passed by the Council on July 26, 2021, approved by the Mayor of the City (the "Mayor") on July 26, 2021 and became effective on July 26, 2021 ("Ordinance No. 2675")][Ordinance No. 2115, passed by the Council on August 9, 2010, approved by the Mayor on August 10, 2010 and effective on August 10, 2010 ("Ordinance No. 2115")][and][Ordinance No. 2273, passed by the Council on December 16, 2013, approved by the Mayor on December 16, 2013 and effective on December 16, 2013 ("Ordinance No. 2273")][2021 *Taxable Bonds*: Ordinance No. 2223, passed by the Council on October 22, 2012, approved by the Mayor on October 23, 2012 and effective on October 23, 2012, as supplemented and amended ("Amended Ordinance No. 2223"), and Resolution No. ___, which was adopted by the Council on ___, 2021, approved by the Mayor on ___, 2021 and became effective on ___, 2021 (the "Resolution").

The Bonds mature and are payable on September 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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[2021 *Taxable Bonds*: The Bonds are not subject to redemption at the option of the City prior to their stated maturities.]

[2021 *Tax-Exempt Bonds*: The Bonds that mature on and after September 1, 2032 are subject to redemption prior to maturity at the option of the City, in whole or in part, on any date on and after September 1, 2031, in any order of maturity directed by the City, at a redemption price of the par amount of the Bonds to be redeemed, together with interest accrued on the par amount being redeemed to the date fixed for redemption, without premium or penalty.

If fewer than all of the Bonds of any one maturity shall be called for redemption at the option of the City, 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 at the option of the City, 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 at the option of the City, 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 first class mail, 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 at the option of the City 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) 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, (v) any conditions to such redemption, and (vi) 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. 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 at the option of the City shall cease to bear interest. Upon presentation and surrender for redemption, the Bonds or portions thereof to be redeemed at the option of the City 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.

[2021 Tax-Exempt Bonds: 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 at the option of the City.]

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 ("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, [2021 Tax-Exempt Bonds: the selection of all or any portion of this bond to be redeemed at the option of the City], 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 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, Ordinance No. _____ [to be completed with applicable ordinance number or numbers] 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 imposition of an annual ad valorem tax or taxes on all real and tangible personal property in the City that is subject to assessment for unlimited municipal taxation at a rate and in an 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 [or _____] signature of the Mayor and its corporate seal to be affixed hereto, attested by the manual [or _____] signature of the City Clerk, all as of the Dated Date set forth above.

(SEAL)

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 [Tax-Exempt Public Improvement and][Taxable] Refunding Bonds of 2021".

_____,
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.

[TO BE USED WHEN BONDS MAINTAINED UNDER BOOK-ENTRY ONLY SYSTEM]

PAYMENT GRID

[illegible]

EXHIBIT B

FORM OF NOTICE OF SALE

\$ _____ *
City of Salisbury
Tax-Exempt Public Improvement and
Refunding Bonds of 2021

\$ _____ *
City of Salisbury
Taxable Refunding Bonds of 2021

Electronic bids via BiDCOMP/Parity@www.i-idealprospectus.com
will be received on August 18, 2021 (subject to rescheduling)

Overview

Electronic bids only via BiDCOMP/Parity@www.i-idealprospectus.com ("Parity") will be received by the Mayor of City of Salisbury (the "City") on Wednesday, August 18, 2021, unless postponed as described in this Notice of Sale (in either such case, the "Bid Date"), (i) until 10:15 a.m. prevailing eastern time ("Eastern Time") for the purchase of all (but not less than all) of the City's Tax-Exempt Refunding Bonds of 2021 (the "Tax-Exempt Bonds") and (ii) until 10:30 a.m. Eastern Time for the purchase of all (but not less than all) of the City's Taxable Refunding Bonds of 2021 (the "Taxable Bonds" and, collectively with the Tax-Exempt Bonds, the "Bonds").

By submitting a bid for a series of the Bonds, a prospective bidder represents and warrants to the City that such bidder's bid for the purchase of the applicable series of Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of such series of the Bonds.

On or prior to the Bid Date, the City may (i) determine not to issue the Tax-Exempt Bonds for refunding purposes, in which event the Tax-Exempt Bonds will be issued with the designation "Tax-Exempt Public Improvement Bonds of 2021", or (ii) determine not to issue the Tax-Exempt Bonds and/or the Taxable Bonds. Any such determination will be communicated via Parity or TM3 News Service (www.tm3.com) ("TM3") as described below under "Amendment and Postponement." In the event the City determines not to issue a series of the Bonds, references in this Notice of Sale to such series of the Bonds shall be disregarded.

Bond Details; Bond Registrar and Paying Agent

Each series of the Bonds will be dated the date of delivery and will bear interest payable semi-annually beginning on March 1, 2022 and thereafter on the first days of September and March until maturity or, to the extent applicable with respect to the Tax-Exempt Bonds, prior redemption at the option of the City. Manufacturers and Traders Trust Company will serve as the Bond Registrar and Paying Agent for both series of the Bonds. Each series of the Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Individual purchases will be in the principal amount of \$5,000 and multiples thereof.

The Tax-Exempt Bonds are authorized by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (the "Enabling Act"), Section 19-207 of the Local Government Article of the Annotated Code of Maryland (the "Refunding Act"), Sections SC7-45 and SC7-46 of the Charter of the City (the "Charter"), Ordinance No. 2675, passed by the Council of the City (the "Council") on July 26, 2021, approved by the Mayor of the City (the "Mayor") on July 26, 2021 and effective on July 26, 2021 ("Ordinance No. 2675"), Ordinance No. 2115, passed by the Council on August 9, 2010, approved by the Mayor on August 10, 2010 and effective on August 10, 2010 ("Ordinance No. 2115") and Ordinance No. 2273, passed by the Council on December 16, 2013, approved by the Mayor on December 16, 2013 and effective on December 16, 2013 ("Ordinance No. 2273"), as applicable, and Resolution No. _____, adopted by the Council on August __, 2021, approved by the Mayor on August __, 2021 and effective on August __, 2021 (the "Resolution").

* Preliminary, subject to change.

The Taxable Bonds are authorized by the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2223, passed by the Council on October 22, 2012, approved by the Mayor on October 23, 2012 and effective on October 23, 2012, as supplemented ("Ordinance No. 2223"), and the Resolution.

The proceeds of the Tax-Exempt Bonds (including any available original issue premium) will be expended (i) to finance or reimburse costs of certain public purpose projects, (ii) to currently refund and prepay in whole or in part certain outstanding general obligation bonds of the City identified in the Preliminary Official Statement for the Bonds as the 2010 Tax-Exempt Bond and the 2013 Tax-Exempt Bond that were respectively sold in direct purchase transactions to separate banks, together with accrued interest thereon, (iii) to pay costs of issuance of the Tax-Exempt Bonds, and (iv) to the extent applicable, to pay interest on the Tax-Exempt Bonds.

The proceeds of the Taxable Bonds (including any available original issue premium) will be expended (i) to currently refund and prepay in whole or in part a certain outstanding general obligation bond of the City identified in the Preliminary Official Statement for the Bonds as the 2012 Taxable Bond that was sold in a direct purchase transaction to a bank, (ii) to pay costs of issuance of the Taxable Bonds, and (iii) to the extent applicable, to pay interest on the Taxable Bonds.

In the event the City determines prior to the sale of the Tax-Exempt Bonds not to currently refund any portion of the 2010 Tax-Exempt Bond, Ordinance No. 2115 will not serve as authority for the issuance of the Tax-Exempt Bonds. In the event the City determines prior to the sale of the Tax-Exempt Bonds not to currently refund any portion of the 2013 Tax-Exempt Bond, Ordinance No. 2273 will not serve as authority for the issuance of the Tax-Exempt Bonds. In the event the City determines not to issue the Tax-Exempt Bonds for refunding purposes, the Refunding Act will not serve as authority for the issuance of the Tax-Exempt Bonds.

The full faith and credit and unlimited taxing power of the City is pledged to the payment of the Bonds.

The City has designated the Tax-Exempt Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Maturity Schedules

The Tax-Exempt Bonds will be subject to principal amortization through serial maturities on September 1 in the years and in the amounts set forth below (the "Tax-Exempt Preliminary Amounts"), subject to the provisions of "Adjustment to Principal Amounts" herein:

Tax-Exempt Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
September 1, 2022		September 1, 2030	
September 1, 2023		September 1, 2031	
September 1, 2024		September 1, 2032	
September 1, 2025		September 1, 2033	
September 1, 2026		September 1, 2034	
September 1, 2027		September 1, 2035	
September 1, 2028		September 1, 2036	
September 1, 2029			

The Taxable Bonds will be subject to principal amortization through serial maturities on September 1 in the years and principal amounts set forth below (the "Taxable Preliminary Amounts"), subject to the provisions of "Adjustments to Principal Amounts" herein:

Taxable Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
September 1, 2022		September 1, 2026	
September 1, 2023		September 1, 2027	
September 1, 2024		September 1, 2028	
September 1, 2025			

The principal amounts and the maturity dates set forth in the two tables above are preliminary and subject to change.

Adjustments to Principal Amounts

Pre-sale, the City reserves the right to change the Tax-Exempt Preliminary Amounts and/or the Taxable Preliminary Amounts from time to time up until 9:30 a.m. Eastern Time on the Bid Date, by eliminating maturities and/or changing the aggregate principal amount of the applicable series of the Bonds and/or the principal amount of one or more of the maturities of the applicable series of the Bonds. Should a revision to the aggregate principal amount of a series of the Bonds and/or the principal amortization schedule for such series of the Bonds be made (the "Tax-Exempt Revised Amounts" and the "Taxable Revised Amounts," respectively, and, collectively, the "Revised Amounts"), such revision will be published on Parity or TM3 not later than 9:30 a.m. Eastern Time on the Bid Date. In the event that no revisions are made or that such revisions are not published on Parity or TM3 before 9:30 a.m. Eastern Time on the Bid Date, the Tax-Exempt Preliminary Amounts and the Taxable Preliminary Amounts will constitute the Tax-Exempt Revised Amounts and the Taxable Revised Amounts, respectively. Bidders shall submit bids based on the Tax-Exempt Revised Amounts and/or the Taxable Revised Amounts, as applicable, and the Tax-Exempt Revised Amounts and the Taxable Revised Amounts will be used to compare bids for the applicable series of the Bonds and to select a winning bidder for each series.

After selecting the winning bid for a series of the Bonds, the aggregate principal amount of such series of the Bonds and the principal amortization schedule for such series of the Bonds may be adjusted as determined by the City's financial advisor in increments of \$5,000. **Any adjustments pursuant to this paragraph will not increase or reduce the aggregate principal amount of the applicable series of the Bonds by more than 15% of the amount of the applicable bid.** The dollar amount bid for the Revised Amounts of the applicable series of the Bonds by the successful bidder therefor will be adjusted proportionately to reflect any reduction or increase in the original aggregate principal amount of such series of the Bonds. Any such maturity schedule adjustments will be communicated to the successful bidder for the applicable series of the Bonds within six hours of the bids becoming accessible to the City on Parity. Any such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the underwriter's discount per \$1,000 of par amount of the applicable series of the Bonds from the underwriter's discount that would have been received based on the purchase price in the winning bid for such series of the Bonds, the coupon rates or the initial offering prices (as defined herein) specified by the successful bidder. **The successful bidder for a series of the Bonds as so adjusted may not withdraw its bid or change the interest rates bid or initial offering prices as a result of any changes made to the principal amounts of such series of the Bonds within these limits.** ALL BIDS SHALL REMAIN FIRM FOR 6 HOURS AFTER THE TIME BIDS FOR SUCH SERIES OF THE BONDS BECOME ACCESSIBLE TO THE CITY.

Optional Redemption

The Tax-Exempt Bonds maturing on and after September 1, 2032 are subject to redemption prior to their stated maturities, at the option of the City, in whole or in part, on any date on or after September 1, 2031, in any order of maturity specified by the City, at a redemption price equal to 100% of the principal amount of the Tax-Exempt Bonds (or portions thereof) to be redeemed, plus accrued interest on the principal amount being redeemed to the date fixed for redemption, without penalty or premium.

The Taxable Bonds are not subject to redemption at the option of the City prior to maturity.

Electronic Bids Only

Bidders may submit a bid for the Tax-Exempt Bonds, for the Taxable Bonds, or for both series of the Bonds. Separate bids must be submitted for each series of the Bonds. Bids must be submitted by electronic bidding via Parity, in the manner described below, and must be submitted on the Bid Date by 10:15 a.m. Eastern Time for the Tax-Exempt Bonds and by 10:30 a.m. Eastern Time for the Taxable Bonds. No bid for a series of the Bonds will be accepted after the respective time for receiving bids for such series. To the extent any instructions or directions set forth in Parity conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about Parity, potential bidders may contact Parity at (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to submit its bid via Parity as described above. Each prospective electronic bidder shall be solely responsible to make necessary arrangements to access Parity for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor Parity shall have any duty or obligation to provide or assure access to Parity to any prospective bidder, and neither the City nor Parity shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The City is using Parity as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters specified in this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their submission of bids via Parity are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for a series of the Bonds, such bidder should telephone Parity at (212) 849-5021 and notify the City's financial advisor, Wye River Group, Incorporated, by facsimile at (410) 267-8235 or by telephone at (410) 267-8811.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of each series of the Bonds via Parity. Bids will be accessible by the City on the Bid Date at 10:15 a.m. Eastern Time for the Tax-Exempt Bonds and at 10:30 a.m. Eastern time for the Taxable Bonds. Prior to those respective times, a prospective bidder for a series of the Bonds may (1) submit the proposed terms of its bid via Parity, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the applicable series of the Bonds, or (3) withdraw its proposed bid for a series of the Bonds. Once the bids are accessible electronically via Parity, each bid will constitute an irrevocable offer to purchase the applicable series of the Bonds on the terms therein provided, subject to this Notice of Sale. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, Parity, the use of such facilities being the sole risk of the prospective bidder. **For purposes of the electronic bidding process, the time as maintained on Parity shall constitute Eastern Time.**

If any provision of this Notice of Sale shall conflict with the information provided by Parity as the approved provider of electronic bidding services, this Notice of Sale shall control.

Bid Specifications

Each bidder for a series of the Bonds must submit a bid for such series on an "all or none" basis. Each bid must specify the amount bid for the applicable series of the Bonds, which amount may not be less than 100% of par. Each bid for a series of the Bonds must specify in multiples of one-eighth ($\frac{1}{8}$) or one-twentieth ($\frac{1}{20}$) of one percent (1%) the rate or rates of interest per annum which such series of the Bonds are to bear but shall not specify (a) more than one interest rate for any Bonds of such series having the same maturity, (b) a zero rate of interest, or (c) any interest rate for any Bonds of such series which exceeds the interest rate stated in such bid for any other Bonds of such series by more than 400 basis points.

Basis of Award

Any award of a series of the Bonds will be made on behalf of the City by the Mayor. The successful bidder for each series of the Bonds will be determined based on the lowest interest cost to the City for such series. The lowest interest cost for each series

of the Bonds shall be determined in accordance with the true interest cost ("TIC") method by doubling the semiannual interest rate (compounded semi-annually) necessary to discount the debt service payments from the payment dates to the date of the applicable series of the Bonds and to the price bid. If two or more bidders offer to purchase a series of the Bonds at the same lowest interest cost, then such award will be made to the bidder offering the highest purchase price. If two or more bidders offer to purchase a series of the Bonds at the same lowest interest cost, with the same purchase price, the City shall have the right to award all of the Bonds of such series to one bidder. The Mayor will execute and deliver an order or orders of award after the apparent successful bidder for a series of the Bonds pays the Good Faith Deposit therefor provided for herein by federal funds wire transfer (see "Good Faith Deposits and Award" below). Notwithstanding the foregoing, the City, by the Mayor, reserves the right to reject any and all bids for either or both series of the Bonds and to waive any informality or irregularity in any bid, and the judgment of the Mayor with respect to such matters shall be final and binding upon all bidders with respect to the form and adequacy of any bid received for the applicable series of the Bonds and as to its conformity to the terms of this Notice of Sale or with respect to the determination to reject any and all bids for the applicable series of the Bonds.

Good Faith Deposits and Award

The respective apparent successful bidders for the Bonds shall submit good faith deposits in the amounts of \$ _____ for the Tax-Exempt Bonds and \$ _____ for the Taxable Bonds (each, a "Good Faith Deposit") as provided below. A Good Faith Deposit will secure the City from any loss resulting from the failure of the applicable apparent successful bidder for a series of the Bonds to comply with the terms of its bid. The apparent successful bidder for each series of the Bonds shall transfer the applicable Good Faith Deposit by wire transfer directly to the City upon notification of identification of the apparent successful bidder for such series of the Bonds, but in any case, no later than 3:00 p.m. Eastern Time on the Bid Date (the "Deposit Deadline"). Wire instructions will be provided to the apparent successful bidder for each series of the Bonds by the City's financial advisor upon verification of bids submitted, identification of the apparent successful bidder for such series of the Bonds and prior to the Deposit Deadline.

The apparent successful bidder for a series of the Bonds will provide as quickly as it is available evidence of the wire transfer to the City's financial advisor by providing to the City's financial advisor the federal funds reference number. Notification of the award of a series of the Bonds, if made, will be indicated on Parity and shall not be made until the City's financial advisor has confirmation of receipt of the Good Faith Deposit therefor. If an apparent successful bidder fails to so deliver the applicable Good Faith Deposit by the Deposit Deadline, the City will have the option to not award the applicable series of the Bonds without any liability to the applicable apparent successful bidder and the applicable apparent successful bidder shall be responsible to the City for all consequential damages arising from such failure. Formal award of each series of the Bonds, if made, will be made with 6 hours of the deadline for submitting bids for such series of the Bonds.

At the time of the delivery of a series of the Bonds, the Good Faith Deposit for such series will be applied against the purchase price for such series of the Bonds or will be retained as liquidated damages upon the failure of the successful bidder to take and pay for such series of the Bonds in accordance with the terms of its bid. The successful bidder for a series of the Bonds shall have no right in or to the Good Faith Deposit for such series if it fails to complete the purchase of, and payment in full of, such series of the Bonds for any reason whatsoever, unless such failure of performance shall be caused by an act or omission of the City. No interest will be paid upon a Good Faith Deposit to the applicable successful bidder. Notwithstanding the foregoing, should the successful bidder fail to pay for the applicable series of the Bonds at the price and on the date agreed upon, the City retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

If the original aggregate principal amount of a series of the Bonds is adjusted as described above under "Adjustments to Principal Amounts", no adjustment will be made to the applicable Good Faith Deposit.

Establishment of Issue Price for the Tax-Exempt Bonds

References to the Bonds in this section captioned "Establishment of Issue Price for the Tax-Exempt Bonds" shall be construed to apply solely to the Tax-Exempt Bonds (and not to the Taxable Bonds).

The City expects and intends that the provisions of U.S. Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purpose of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds because (i)

the City will disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters, (ii) all bidders will have an equal opportunity to bid, (iii) the City may receive bids from at least three underwriters of municipal bonds that have established industry reputations for underwriting new issuances of municipal bonds, and (iv) the City anticipates awarding the sale of the Bonds to the bidder that submits a firm offer to purchase the Bonds at the lowest possible TIC, as set forth herein. If such competitive sale requirements are met, the successful bid for the Bonds will be treated as a "Qualified Competitive Bid." If the competitive sale requirements are not met, the successful bid for the Bonds will be treated as a "Nonqualified Competitive Bid." **It is noted that the procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices of the Bonds for some or all maturities of the Bonds for up to five (5) business days after the sale date, as further specified below.**

By submitting a bid, each bidder (i) confirms that it was not given an opportunity to review other bids prior to submitting its bid, (ii) confirms that its bid is a firm offer for the purchase of the Bonds, on the terms set forth in its bid and this Notice of Sale (as this Notice of Sale may be modified in accordance with its terms), except as permitted by this Notice of Sale, and (iii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

The City will advise the apparent successful bidder as promptly as possible after bids are received whether its bid constitutes a Qualified Competitive Bid or a Nonqualified Competitive Bid.

If the apparent successful bid is a Qualified Competitive Bid, as promptly as possible after bids are received, the City will notify the apparent successful bidder and such bidder, upon such notice, shall advise the City of the reasonably expected initial offering price to the public of each maturity of the Bonds.

If the apparent successful bid is a Nonqualified Competitive Bid, the City shall treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as of the date and time of the award of the Bonds as the issue price of that maturity, if applicable, and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The successful bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. Any maturity of the Bonds as to which the successful bidder has not so advised the City that the 10% test has been satisfied as of the date and time of the award of the Bonds shall be subject to the hold-the-offering price rule. Bids will not be subject to cancellation if the hold-the-offering price rule applies to any maturity of the Bonds. Bidders should note that a Nonqualified Competitive Bid may require the successful bidder and, if applicable, other underwriters of the Bonds to hold the initial offering prices for certain maturities of the Bonds for up to five business days after the sale date of the Bonds. **Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer to sell the Bonds to the public on or before the date of sale at the offering price or prices (the "initial offering prices"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (1) the close of fifth (5th) business day after the sale date or (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price for that maturity to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

For a Nonqualified Competitive Bid, the successful bidder shall promptly advise the City when the underwriters have sold to the public 10% of any maturity subject to the hold-the-offering-price rule at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that any underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and

related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer that is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sale of any Bonds to any person that is a related party (as defined below) to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or related party to an underwriter;

(ii) "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly;

(iii) "sale date" means the date that the Bonds are awarded by the City to the successful bidder; and

(iv) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

The successful bidder for the Bonds must deliver to the City at closing an "issue price" or similar certificate establishing the issue price of the Bonds in accordance with U.S. Treasury Regulation 1.148-1, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit 1 (for a Qualified Competitive Bid) or Exhibit 2 (for a Nonqualified Competitive Bid), as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of such successful bidder, the City and bond counsel to the City.

All actions to be taken on behalf of the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's financial advisor, Wye River Group, Incorporated, and any notice or report to be provided to the City may be provided to the City's financial advisor Wye River Group, Incorporated or bond counsel to the City. Terms used in this captioned section shall be construed in accordance with Section 1.148-1(f) of the U.S. Treasury Regulations.

Official Statement

Within seven business days after the award of the Bonds of each series to the successful bidder therefor on the Bid Date, the City will authorize its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. The Preliminary Official Statement has been deemed final by the City for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The City will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the City in writing by a successful bidder at or before the close of business on the Bid Date,

the City will include in the Official Statement such pricing and other information relating to the reoffering of the applicable series of the Bonds, if any, as may be so furnished. If the successful bidder for a series of the Bonds furnishes no such information, the Official Statement will include the interest rates on such series of the Bonds resulting from the bid of the successful bidder therefor and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, a successful bidder shall be responsible to the City and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the applicable series of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven business days after the award of the Bonds, the successful bidders will also be furnished, without cost, with a reasonable number of copies of the Official Statement. The successful bidders will also be furnished with any amendment or supplement to the Official Statement, without cost, except to the extent any such amendment or supplement is required due to a change in the reoffering information or other information provided by or on behalf of the applicable successful bidder.

Continuing Disclosure

In order to assist the successful bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the City will undertake, pursuant to a continuing disclosure certificate, to provide certain information annually and notices of the occurrence of certain events. The substantially final form of Continuing Disclosure Certificate is included in the Preliminary Official Statement as Appendix D.

Delivery of the Bonds

Delivery of the Bonds will be made to the successful bidders through the facilities of DTC on or about September 1, 2021. Payment for each series of the Bonds shall be made in immediately available funds.

The Bonds will be accompanied by the customary closing documents, including a no litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of the Bonds. It shall be a condition to the obligation of the successful bidder for each series of the Bonds to accept delivery of and pay for such series of the Bonds that, simultaneously with or before delivery and payment for such series, said successful bidder shall be furnished with a certificate of the Mayor and the Director of Finance to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the reoffering information, and except as to information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed) as of the Bid Date and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that between the Bid Date and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the City, except as reflected or contemplated in the Official Statement.

Each series of the Bonds will be issued and sold subject to approval as to legality by Funk & Bolton, P.A., bond counsel to the City. Bond counsel will express no opinions as to any of the information contained in the Preliminary Official Statement or the Official Statement or in any other material relating to the Bonds.

Right to Modify Notice of Sale; Right to Postpone Sale

The City reserves the right to modify this Notice of Sale prior to the Bid Date including, but not limited to, adjusting and changing the original aggregate principal amount of either series of the Bonds, adjusting the amortization schedule for either series of the Bonds, determining not to issue a series of the Bonds, changing the method for determination of issue price of the Tax-Exempt Bonds, and/or changing the bid specifications for either series of the Bonds; however, such modifications shall be made not later than 9:30 a.m. Eastern Time on the Bid Date and communicated through Parity or TM3.

The City reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through Parity or TM3. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative Bid Date will be announced via Parity or TM3 at least 24 hours prior to such alternative Bid Date. In addition, the City reserves the right, on the date established for the receipt of bids, to reject all bids for either or both series of the Bonds and to then or later establish a subsequent date on which bids for the affected series of the Bonds will again be received. If all bids for a series of the Bonds are rejected and a subsequent date for receipt of bids for such series of the Bonds established, notice of the subsequent

Bid Date will be announced via Parity or TM3 at least 24 hours prior to such subsequent Bid Date. On any such alternative or subsequent Bid Date, any bidder may submit a bid for the purchase of the applicable series of the Bonds in conformity in all respects with this official Notice of Sale except for the Bid Date and except for the changes announced by Parity or TM3.

Any bid submitted shall be made in accordance with this Notice of Sale, including any modifications, amendments or changes communicated via Parity or TM3 in accordance with the provisions of this Notice of Sale.

Additional Information

The Preliminary Official Statement, together with the official Notice of Sale, may be obtained by contacting Wye River Group, Incorporated, 122 Severn Avenue, Annapolis, Maryland 21403, financial advisor to the City. The Preliminary Official Statement and the official Notice of Sale also will be made available via www.i-dealprospectus.com; for information contact Parity or Wye River Group, Incorporated.

By order of

CITY OF SALISBURY

By: /s/ Jacob R. Day
Mayor

**PROPOSED FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID FOR THE TAX-EXEMPT BONDS**

\$ _____
CITY OF SALISBURY
TAX-EXEMPT PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2021

ISSUE PRICE CERTIFICATE (Qualified Competitive Bid)

The undersigned, on behalf of [WINNING BIDDER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") to be issued by City of Salisbury (the "Issuer"). Certain capitalized terms used in this certificate are defined in paragraph 2 below.

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule 1 hereto (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached hereto as Schedule 2 is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

2. ***Defined Terms.***

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is [SALE DATE TO BE INSERTED].

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Funk & Bolton, P.A., bond counsel to the Issuer, in rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice bond counsel may give to the Issuer from time to time relating to the Bonds.

_____, as Purchaser

By: _____

Name:

Title:

(Authorized Signatory)

Dated: _____, 2021

SCHEDULE 1

EXPECTED OFFERING PRICES

[To be Attached]

SCHEDULE 2

COPY OF PURCHASER'S BID

[To be Attached]

**PROPOSED FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID FOR THE TAX-EXEMPT BONDS**

\$ _____
**CITY OF SALISBURY
TAX-EXEMPT PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2021**

ISSUE PRICE CERTIFICATE (Nonqualified Competitive Bid)

The undersigned, on behalf of [NAME OF THE WINNING BIDDER] (the "[SHORT FORM NAME OF WINNING BIDDER]"), [on behalf of itself and [NAMES OF MEMBERS OF THE UNDERWRITING SYNDICATE] (together, the "Underwriting Syndicate")] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") to be issued by City of Salisbury (the "Issuer"). Certain capitalized terms used in this certificate are defined in paragraph 3 below.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold by [SHORT FORM NAME OF WINNING BIDDER][the Underwriting Syndicate] to the Public is the respective price listed in Schedule 1.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The [SHORT FORM NAME OF WINNING BIDDER][Underwriting Syndicate] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Notice of Sale and bid award, [the SHORT FORM NAME OF WINNING BIDDER][the members of the Underwriting Syndicate] [has][have] agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer that is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer that is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The [SHORT FORM NAME OF WINNING BIDDER has][the members of the Underwriting Syndicate have] an established industry reputation for underwriting new issuances of municipal bonds.

3. ***Defined Terms.***

"General Rule Maturities" means those Maturities of the Bonds listed on Schedule 1 hereto as the "General Rule Maturities".

"Hold-the-Offering-Price Maturities" means those Maturities of the Bonds listed in Schedule 1 hereto as the "Hold-the-Offering-Price Maturities".

"Holding Period" means, with respect to each Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5) business day after the Sale Date, or (ii) the date of which the [SHORT FORM NAME OF WINNING BIDDER][Underwriting Syndicate] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering Price Maturity.

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is [SALE DATE TO BE INSERTED].

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Funk & Bolton, P.A., bond counsel to the Issuer, in rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice bond counsel may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER] [, as Representative of the Underwriting Syndicate]

By: _____
Name:
Title:
(Authorized Signatory)

Dated: _____, 2021

SCHEDULE 1

SALE PRICES OF THE GENERAL RULE MATURITIES

[To be Inserted or Attached]

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

[To be Inserted or Attached]

SCHEDULE 2

PRICING WIRE OR EQUIVALENT COMMUNICATION

[To be Attached]