

ORDINANCE NO. 2979

AN ORDINANCE OF THE COUNCIL (THE "COUNCIL") OF THE CITY OF SALISBURY TO AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE "CITY") TO SELL AND ISSUE FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, ONE OR MORE SERIES OF (1)(A) GENERAL OBLIGATION BONDS AND (B) GENERAL OBLIGATION BOND ANTICIPATION NOTES, EACH IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000), AND (2) GENERAL OBLIGATION REFUNDING BONDS, SUBJECT TO THE LIMITATIONS PROVIDED FOR HEREIN, THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING, REIMBURSING OR REFINANCING COSTS OF THE PUBLIC PURPOSE PROJECTS IDENTIFIED HEREIN AS NEIGHBORHOOD INFRASTRUCTURE IMPROVEMENTS, NAYLOR MILL ROAD BRIDGE REPLACEMENT, EXHIBIT/FACILITY IMPROVEMENTS AZA REACCREDITATION, POPLAR HILL BUILDING IMPROVEMENTS (SHUTTER, HVAC, SIDING), WESTSIDE COMMUNITY CENTER, AND COSTS OF ISSUANCE; SPECIFYING THE MAXIMUM ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF THE BONDS OR BOND ANTICIPATION NOTES PROVIDED FOR HEREIN TO BE ALLOCATED TO EACH SUCH PROJECT, SUBJECT TO REALLOCATION BY THE CITY AS DESCRIBED HEREIN; PROVIDING THAT THE COUNCIL BY RESOLUTION SHALL DETERMINE, APPROVE OR PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND PREPAYMENT OR REDEMPTION OF AND FOR EACH ISSUED SERIES OF ANY BONDS, BOND ANTICIPATION NOTES AND REFUNDING BONDS (EACH A "SERIES OF THE OBLIGATIONS" OR THE "OBLIGATIONS"); PROVIDING FOR THE IMPOSITION OF AD VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO, THE PAYMENT OF DEBT SERVICE ON EACH ISSUED SERIES OF THE OBLIGATIONS; PROVIDING THAT DEBT SERVICE ON EACH ISSUED SERIES OF THE OBLIGATIONS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; PROVIDING THAT CERTAIN ACTIONS MAY BE TAKEN OR PROVIDED FOR BY RESOLUTION IN CONNECTION WITH THE REISSUANCE OR MODIFICATION OF ANY OF THE OBLIGATIONS; PROVIDING THAT ANY OF THE OBLIGATIONS MAY BE CONSOLIDATED WITH OTHER OBLIGATIONS OF THE CITY AND ISSUED AS A SINGLE SERIES OF BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS; AUTHORIZING, DIRECTING

AND EMPOWERING OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE OBLIGATIONS; AUTHORIZING MODIFICATIONS OF THE OBLIGATIONS TO BE MADE BY RESOLUTION UNLESS ANOTHER ACTION IS REQUIRED; PROVIDING THAT THIS TITLE SHALL BE DEEMED A STATEMENT OF THE SUBSTANCE OF THIS ORDINANCE FOR ALL PURPOSES; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE SALE, ISSUANCE, DELIVERY AND PAYMENT OF AND FOR THE OBLIGATIONS.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act, the Bond Anticipation Note Act and the Refunding Act identified below (the "City"), is authorized and empowered by Sections 19-301 through 19-309 of the Local Government Article 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 of Salisbury, as replaced, supplemented or amended (the "Charter"), to borrow money for any proper public purpose and to evidence such borrowing by the sale and issuance of its general obligation bonds; and

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

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

WHEREAS, prior to issuing one or more series of the general obligation bonds authorized hereby, the City may need to obtain interim financing in order to finance, reimburse or refinance applicable project costs on a timely basis through the sale and issuance from time to time of general obligation bond anticipation notes in one or more series as authorized by Sections 19-211 through 19-223 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Bond Anticipation Note Act"); and

WHEREAS, subsequent to the issuance of any general obligation bonds provided for herein, the City may desire to currently refund or advance refund all or a portion of such bonds through the sale and issuance from time to time of one or more series of its general obligation refunding bonds as authorized by Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Refunding Act"); and

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

WHEREAS, the City shall issue any general obligation bonds, bond anticipation notes or refunding bonds authorized hereby in accordance with the terms and conditions provided for in a resolution or resolutions to be adopted by the Council of the City (the “Council”) pursuant to the authority of the Enabling Act, the Bond Anticipation Note Act, the Refunding Act, other applicable law, Sections SC7-45 and SC7-46 of the Charter and this Ordinance, as applicable.

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

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

(b) References in this Ordinance 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 if the position in question is vacant or during the absence, disability or unavailability 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, the City Code or other applicable law or authority, 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 Ordinance to the “par amount” of any of the Bonds, the BANs, the Refunding Bonds or the Obligations (each as defined herein) shall be construed to mean the principal amount of such Bonds, BANs, Refunding Bonds or Obligations, as applicable. References in this Ordinance to the “proceeds” of any of the Bonds, the BANs, the Refunding Bonds or the Obligations shall be construed to mean par amount, any net original issue premium realized upon sale and any investment earnings. References in this Ordinance to “investment earnings” shall be construed to include interest income.

(d) References in this Ordinance to City officials shall be construed to include references to City employees, to the extent applicable.

(e) References in this Ordinance to the term “owner” with respect to any issued Bonds, BANs, Refunding Bonds or Obligations shall be construed to refer to the owners in whose names such instruments are registered with the applicable registrar and, with respect to any references in this Ordinance to notice to or consent of owners of the applicable instruments not being required, shall also be construed to refer to the beneficial owners of such instruments when held in book-entry form.

SECTION 2. BE IT FURTHER ENACTED AND ORDAINED that pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, the City hereby determines to borrow money and incur indebtedness from time to time for the public purpose of financing, reimbursing or refinancing costs (as defined in Section 3(b) hereof) of any one or more components of the Projects identified in Section 3(b) hereof.

SECTION 3. BE IT FURTHER ENACTED AND ORDAINED that:

(a) To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, hereby determines to authorize the sale and issuance from time to time, in one or more series, upon its full faith and credit, of its general obligation bonds in an original aggregate principal amount not to exceed Three Million Dollars (\$3,000,000) (each, a “series of the Bonds” and, collectively, the “Bonds”). Any series of the Bonds may be issued as one or more bonds and any such bond may be issued in installment form and/or draw-down form.

(b) With respect to the projects listed below, the word “costs” as used in Section 2 hereof 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, traffic control improvements, other amenities, and related or similar activities and expenses; demolition, razing and removal and related or similar activities and expenses; 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, testing, study, feasibility, surveying, architectural, engineering, 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 the costs of any such project (collectively, “Costs of the Projects” or “Costs”). The maximum original aggregate principal amount of the Bonds (or the BANs, as identified in Section 6 hereof) to be appropriated or applied to the Costs of the 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.	Neighborhood Infrastructure Improvements (1)	\$1,000,000
2.	Naylor Mill Road Bridge Replacement (1)	700,000
3.	Exhibit/Facility Improvements AZA Reaccreditation (1)	500,000
4.	Poplar Hill Building Improvements (Shutter, HVAC, Siding) (1)	150,000
5.	Westside Community Center (1)(2)	350,000

6.	Costs of Issuance (3)	300,000
	TOTAL	\$3,000,000

¹ Project was approved for bond funding in fiscal year 2026 by the fiscal year 2026 budget ordinance (Ordinance No. 2935).

² The City may also refer to this project as the West Salisbury Community Center.

³ Project is scheduled to be approved for bond funding during fiscal year 2026 by amendments to the fiscal year 2026 budget ordinance.

The projects, including costs of issuance, identified in items 1-6 above are collectively referred to herein as the “Projects” or, individually, as a “Project.” The Projects described in items 1-6 above are identified by approximately the same names as such Projects are identified in City budgets and related materials. By inclusion in the table above, the City hereby appropriates up to the maximum principal amount of any issued Bonds (or any issued BANs, as applicable) for application to the Costs of the Projects as provided for in such table, subject to the further provisions of this Ordinance.

(c) The City, without notice to or the consent of any owners of any issued Bonds (or the owners of any issued BANs, as applicable), may allocate and reallocate the maximum principal amount of any issued Bonds (and of any issued BANs, as applicable) (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 Projects among any of the Projects in compliance with applicable budgetary procedures or applicable law, including, to the extent applicable, by resolution.

(d) It is the intention of the Council that, without having to amend this Ordinance, unless an amendment is necessary to modify the definition of “Costs of the Projects,” and without notice to or the consent of the owners of any issued Bonds (or the owners of any issued BANs provided for in Section 6 hereof, as applicable), the principal amount of any issued Bonds (or of any issued BANs, as applicable) may be spent on any applicable Costs of the Projects, notwithstanding the descriptive names used for the Projects in the table above, including, without limitation, costs related to changes in the scope of and/or name of any Project effected through applicable budgetary procedures or applicable law.

(e) The Council, by adoption of a resolution that supplements and amends the resolution or resolutions providing for the expenditure of proceeds of an issued series of the Bonds or the BANs, without having to amend this Ordinance, and without notice to or the consent of the owners of such issued Bonds or BANs, as applicable, may reallocate any portion of the principal amount of such issued series to any of the Projects provided for in this Ordinance that were not included in such resolution or resolutions.

(f) The Council, by enactment of an ordinance that supplements and amends this Ordinance and, to the extent applicable, by adoption of one or more resolutions that supplement and amend any corresponding resolution or resolutions, and without notice to or consent of the owners of any issued Bonds (or the owners of any issued BANs, as applicable), may reallocate any portion of the principal amount thereof to be spent on Costs of the Projects (as such definition may be amended by supplemental ordinance) of one or more additional projects identified in such supplemental ordinance (and to the extent applicable, in any supplemental resolution) and, in such event, (i)

references in this Ordinance to the “Projects” shall be deemed to include the Projects identified in subsection (b) above and all such additional projects (unless any original or additional project is removed entirely from the definition of the Projects by a supplemental ordinance), and (ii) references in this Ordinance to “Costs of the Projects” shall be deemed to include any modifications to such definition, as applicable. After any such reallocation is made by supplemental ordinance, the Council, without having to further amend this Ordinance and without notice to or the consent of the owners of any issued Bonds (or the owners of any issued BANs, as applicable), may reallocate the maximum principal amount of any issued Bonds (and of any issued BANs, as applicable) to be spent on Costs of the Projects among all such authorized projects in compliance with applicable budgetary procedures or applicable law.

(g) In the event the City issues any series of the BANs pursuant to Section 6 of this Ordinance, proceeds of the Bonds of any series in anticipation of which such series of the BANs were issued may also be applied to prepay or pay principal, premium and/or interest on such series of the BANs as well as costs of issuance thereof in accordance with the provisions of the Bond Anticipation Note Act, and such application shall be deemed the payment of Costs of the Projects for purposes of this Ordinance.

(h) Subject to the foregoing provisions of this Section 3, by resolution or as otherwise allowed by applicable law, and without notice to or the consent of any owners of any issued Bonds (or of any issued BANs, as applicable), the Council may determine or provide for the determination of, and subsequently reallocate, how any unexpended par amount of any series of the issued Bonds (or any series of the issued BANs, as applicable), net original issue premium realized upon sale and/or any investment earnings shall be expended, which may include, without limitation, on Costs of the Projects (including costs of issuance), and/or on debt service payable or prepayable on any such series of the issued Bonds or of the issued BANs, as applicable, to the extent not prohibited by applicable law.

(i) To the extent not prohibited by applicable law, the authorization of the sale and issuance of the Bonds and the BANs provided for in this Ordinance in order to finance, reimburse or refinance Costs of the Projects shall be construed to authorize the sale and issuance of any series of the Bonds or the BANs in any fiscal year later than fiscal year 2026 for such purpose in the event such authority is not fully used in fiscal year 2026, for whatever reason; provided that, no BANs shall be issued to finance, reimburse or refinance Costs of any Project once the authority to issue Bonds to finance, reimburse or refinance Costs of such Project has been used up to the maximum principal amount specified for such Project in the table in subsection (b) above, as such maximum principal amount may be adjusted in accordance with the foregoing provisions of this Section 3.

SECTION 4. BE IT FURTHER ENACTED AND ORDAINED that the proceeds of the Bonds shall be used and applied by the City exclusively and solely for the public purposes described or provided for in Section 3 of this Ordinance.

SECTION 5. BE IT FURTHER ENACTED AND ORDAINED that pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, this Ordinance and any other applicable law, the Council, prior to the sale, issuance and delivery of each series of the Bonds, shall adopt a resolution or resolutions specifying, prescribing, determining, providing for or approving

such matters, details, forms (including, without limitation, the form or substantially final form of the Bonds of such series), documents or procedures as may be required by the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, other applicable law or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Bonds, subject to the limitations of any applicable law. Any such resolution may, subject to the limitations of any applicable law, set forth, determine or provide for the determination of, provide for, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Bonds; the date of issuance of such series of the Bonds; the original aggregate principal amount of such series of the Bonds; the denomination or denominations of such series of the Bonds; the maturity or maturities of such series of the Bonds, or the method of determining such maturity or maturities; the principal installment or installments payable on such series of the Bonds or the method of determining such principal installments; the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Bonds, which may be fixed or variable; provisions for the payment of late fees, additional interest and/or penalties payable with respect to such series of the Bonds and/or adjustments to interest rates; the purchase price for such series of the Bonds (which may be at, above or below par value) or the method of determining the purchase price; provisions relating to the prepayment or redemption of such series of the Bonds at the City's option or by mandatory sinking fund payments; provisions allowing the owners of such series of the Bonds to put or cause the prepayment or redemption of the same at their option; the manner of selling such series of the Bonds, which may be by private (negotiated) sale without advertisement or solicitation of competitive bids (including in a negotiated underwriting or by direct purchase) or at public sale after publication or dissemination of the notice of sale (in any manner permitted by applicable law), and all matters in connection therewith, including any forms or substantially final forms of documents, agreements, certificates, instruments or notices authorized or required by applicable law; provisions for the execution of such series of the Bonds; whether any net original issue premium realized upon sale shall be applied to reduce the par amount of such series of the Bonds to be issued for the intended purposes; any limitations on the Costs of the Projects on which the proceeds of such series of the Bonds may be expended and further provisions for the appropriation, disposal and investment of such proceeds; unless otherwise required by applicable law, the selection of any bond registrar, paying agent, investment bidding agent or other appropriate service providers in connection with such series of the Bonds; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on such series of the Bonds; and all other terms and conditions pursuant to which such series of the Bonds will be issued, sold and delivered, including, without limitation, any other determinations to be made or provided for by resolution as required by Charter Section SC7-46.A. Among other matters, the Council by resolution may authorize, approve or otherwise provide for (i) payment of any commitment fee, breakage fee or other fee and any other costs (including other parties' legal costs and expenses) payable in connection with any series of the Bonds, (ii) the obtaining of credit enhancement or liquidity enhancement for any series of the Bonds (and the negotiation, approval, execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements, documents, instruments or determinations necessary or desirable to enhance the marketability of or as security for any series of the Bonds, including, without limitation, any ratings, any official statement or similar disclosure document or any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. By resolution the Council may delegate to one or more City officials the authority to make any of the determinations, approvals or other decisions contemplated by this Section 5. Any resolution may

specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the matters identified in this Section 5 for more than one series of the Bonds.

SECTION 6. BE IT FURTHER ENACTED AND ORDAINED that:

(a) Pursuant to the authority of the Bond Anticipation Note Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, the City is hereby authorized and empowered to sell and issue, upon its full faith and credit, its general obligation bond anticipation notes in one or more series from time to time in an original aggregate principal amount not to exceed Three Million Dollars (\$3,000,000) (each, a “series of the BANs” and, collectively, the “BANs”), prior to and in anticipation of the sale of any series of the Bonds, for the public purpose of financing, reimbursing or refinancing Costs of the Projects on an interim basis. Any such series of the BANs may consist of one or more notes and any note may be issued in installment form and/or draw-down form.

(b) Prior to the sale, issuance and delivery of each series of the BANs, the Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Act, Sections SC7-45 and SC7-46 of the Charter, any other applicable law and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the BANs, the same types of matters, details, forms, documents, procedures or determinations detailed in Section 5 hereof that may be made or addressed with respect to any series of the Bonds, to the extent applicable with respect to such series of the BANs, and as otherwise may be authorized or required by applicable law, including, without limitation, whether any net original issue premium realized upon sale shall be applied to reduce the par amount of such series of the BANs to be issued for the intended purposes. By resolution the Council may delegate to one or more City officials the authority to make any determinations, approvals or decisions with respect to any series of the BANs. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the details required or authorized by this Section 6 for more than one series of the BANs.

(c) The City hereby covenants (i) to pay from the proceeds of one or more series of the Bonds the principal of any series of the BANs actually issued, (ii) to the extent that interest on any series of the BANs is not paid from proceeds of such BANs (within the limitations of applicable law), to pay the interest on such series of the BANs from the proceeds of one or more series of the Bonds, and (iii) to issue the applicable series of the Bonds as soon as there is no longer a reason for deferring its issuance. This covenant shall not be construed to prevent the City from paying principal of and/or interest on any series of the BANs from sources of funds other than proceeds of the Bonds, to the extent such other funds are available for such purpose.

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

SECTION 7. BE IT FURTHER ENACTED AND ORDAINED that:

(a) Pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, the City is hereby authorized and empowered to sell and issue, upon its full faith and credit, its general obligation refunding bonds in one or more series from time to time (each, a “series of the Refunding Bonds” and, collectively, the “Refunding Bonds”), for the purpose of currently refunding or advance refunding in whole or in part any of the Bonds then outstanding, including paying all or any portion of the following: outstanding principal, any prepayment or redemption premium, and/or interest accrued or to accrue to the date or dates of prepayment, redemption, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the sale, issuance and delivery of such series of the Refunding Bonds (including, without limitation, legal and financial costs and costs of any credit enhancement or liquidity enhancement), and, to the extent determined or provided for by the Council by resolution, paying interest on such series of the Refunding Bonds, for the public purpose of (A) realizing savings to the City in the total cost of debt service on a direct comparison or present value basis, (B) debt restructuring that reduces the total cost of debt service, (C) debt restructuring that is determined to be in the best interests of the City, to be consistent with the City’s long-term financial plan, and to realize a financial objective of the City, including improving the relationship of debt service to any source of payment such as taxes, assessments or other charges, and/or (D) for any other purpose then authorized by the Refunding Act or other applicable law, and as determined or provided for by the Council by resolution; provided that, the original aggregate principal amount of any series of the Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom. Any such series of the Refunding Bonds may consist of one or more bonds and any bond may be issued in installment form and/or draw-down form. Any series of the Refunding Bonds may be issued in any fiscal year of the City.

(b) Prior to the sale, issuance and delivery of each series of the Refunding Bonds, the Council shall adopt a resolution or resolutions pursuant to the authority of the Refunding Act, Sections SC7-45 and SC7-46 of the Charter, any other applicable law and this Ordinance authorizing such series of the Refunding Bonds and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Refunding Bonds, the same types of matters, details, forms, documents, procedures and determinations detailed in Section 5 hereof that may be made or addressed with respect to any series of the Bonds, to the extent applicable to such series of the Refunding Bonds, and as otherwise may be authorized or required by applicable law, including, without limitation, the purposes of the Refunding Act or other applicable law to be achieved by the issuance of such series of the Refunding Bonds; whether any net original issue premium realized upon sale shall be applied to reduce the par amount of such series of the Refunding Bonds to be issued for the intended purposes; unless otherwise required by applicable law, the selection of any escrow agent, verification consultant, escrow bidding agent or other service provider; the determination of the Bonds to be refunded in whole or in part from such series of the Refunding Bonds; and any agreements, documents or other instruments necessary or desirable in connection with the refunding. By resolution the Council may delegate to one or more City officials the authority to make any determinations, approvals or decisions with respect to any series of the Refunding Bonds. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the details required or authorized by this Section 7 for more than one series of the Refunding Bonds.

(c) By resolution or as otherwise allowed by applicable law, and without notice to or the consent of the owners of any issued series of the Refunding Bonds, the Council may determine or provide for the determination of, and subsequently reallocate, how any unexpended par amount of such series of the Refunding Bonds, net original issue premium realized upon sale and/or investment earnings shall be expended, which may include, without limitation, on refunding the applicable Bonds, on costs of issuance of such series of the Refunding Bonds, and/or on debt service payable or prepayable on such series of the Refunding Bonds, to the extent not prohibited by applicable law.

SECTION 8. BE IT FURTHER ENACTED AND ORDAINED that:

(a) 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 each series of the Bonds, the BANs or the Refunding Bonds actually issued, as applicable (each, a "series of the Obligations" and, collectively, the "Obligations"), when due and to the imposition of the taxes hereinbelow described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of each series of the Obligations. Subject to the further provisions of this Section 8, the City hereby covenants with the owners of the Obligations of each series to impose 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 the interest on the Obligations in each fiscal year in which any of the Obligations are outstanding and to take any further action that may be lawfully appropriate from time to time during the period that the Obligations of such series remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. If the proceeds from the taxes so imposed in any such fiscal year are inadequate for such payment, additional taxes shall be imposed in the succeeding fiscal year to make up such deficiency.

(b) The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on the Obligations of any series 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, with respect to any BANs, from the proceeds of any Bonds and, with respect to any Bonds, from the proceeds of any Refunding Bonds). Within the limitations of any applicable Maryland or federal law (including, without limitation, to the extent applicable, the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder), the City may apply to the payment of the principal of or interest on the Obligations of any series any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if the funds are granted or paid to the City for the purpose of assisting the City in accomplishing the components of Costs of the Projects which the Obligations of such series are issued to finance, reimburse or 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 imposed may be reduced proportionately.

(c) Pursuant to the authority of Section SC7-46.A. of the Charter, by resolution the Council may provide that all or a portion of the debt service on the allocable portion of any series of the Obligations shall be payable in the first instance from specified revenues or other moneys identified in such resolution, to the extent available for such purpose.

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

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

SECTION 11. BE IT FURTHER ENACTED AND ORDAINED that by resolution the Council may make or authorize any modifications to (i) any series of the Obligations once issued, and (ii) any related documentation, agreements, certificates or instruments, unless under applicable law or the provisions of this Ordinance the proposed modifications require action by ordinance in addition to or in place of a resolution.

SECTION 12. BE IT FURTHER ENACTED AND ORDAINED that with respect to any series of the Obligations, the Council by resolution may delegate to one or more specified officials the authority to negotiate, approve, execute and deliver, as applicable, any documents, agreements, certificates or instruments relating to such Obligations or to take other actions with respect thereto. The following City officials: the Mayor, the City Administrator, the Director of Finance, the City Clerk and all other appropriate officials and employees of the City are hereby authorized, empowered and directed to (i) take any and all action necessary to complete and close the sale, issuance and delivery of any issued series of the Bonds, the BANs or the Refunding Bonds, (ii) negotiate, approve, execute and deliver all documents, agreements, certificates and instruments necessary or appropriate in connection with any such sale, issuance and delivery, and (iii) carry out the transactions contemplated by this Ordinance, any ordinance amendatory of or supplemental to this Ordinance, any resolution adopted in furtherance of this Ordinance (including any amendatory or supplemental resolutions), and any documents, agreements, certificates or instruments executed and delivered in connection with any series of the Obligations, all to the extent any particular action is within the scope of such official's authority and such authorization has not otherwise been delegated to one or more specified City officials by ordinance or resolution.

SECTION 13. BE IT FURTHER ENACTED AND ORDAINED that nothing in this Ordinance shall be construed as preventing the City from applying other available moneys to any of the purposes for which any series of the Obligations is issued, in addition to proceeds of such Obligations.

SECTION 14. BE IT FURTHER ENACTED AND ORDAINED that in the event that, to the extent not prohibited by the Charter, at the time the City seal needs to be or may be impressed or affixed on any of the Obligations or any related documents, agreements, certificates, instruments the position of the City Clerk is vacant, or in the absence, disability or unavailability of any incumbent

City Clerk, if no other City official has the authority to attest to the impression or affixing of the City seal under the Charter, the City Code or other applicable law or authority, such attestation may be made by any of the following in the following order of priority: any Assistant City Clerk, the City Administrator, any Deputy City Administrator, the Director of Finance or any other official designated by the Council by resolution, motion or other appropriate action; provided that, the same official may not both execute any such document or agreement on behalf of the City and attest to the impression or affixing of the City seal on the same, but any such official may both certify to the impression or affixing of the City seal on and make other certifications in any closing certificate.

SECTION 15. BE IT FURTHER ENACTED AND ORDAINED that this Ordinance may be executed (i) in counterparts and/or (ii) to the extent not prohibited by applicable law, by electronic, stamped or facsimile signature, and all executed counterparts of this Ordinance shall be treated as one and the same instrument.

SECTION 16. BE IT FURTHER ENACTED AND ORDAINED that the title of this Ordinance shall be deemed to be, and is, a statement of the substance of this Ordinance for publication and all other purposes.

SECTION 17. BE IT FURTHER ENACTED AND ORDAINED that the provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 18. BE IT FURTHER ENACTED AND ORDAINED that this Ordinance shall become effective following approval by the Mayor or subsequent passage by the Council in accordance with the provisions of Section SC2-12 of the Charter. Pursuant to Section SC2-16 of the Charter, this Ordinance shall not be subject to petition for referendum.

[CONTINUED ON FOLLOWING PAGE]

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 9 day of March, 2026, and thereafter, a statement of the substance of this Ordinance having been posted or published as required by law, was finally passed by the Council X [as introduced] _____ [as amended] [CHECK APPLICABLE LINE] on the 23 day of March, 2026.

ATTEST:


Julie A. English, City Clerk


April R. Jackson, City Council President

APPROVED BY ME THIS 25 **DAY OF** March , 2026:



Randolph J. Taylor, Mayor