

THE MAYOR AND COUNCIL OF ROCKVILLE

Ordinance No. 10 -24

AN ORDINANCE of The Mayor and Council of Rockville to authorize, pursuant to the authority of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, the issuance and sale, upon its full faith and credit, from time to time of one or more series of its general obligation, fully registered bonds, in an aggregate principal amount not to exceed Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000) to be designated as “The Mayor and Council of Rockville General Obligation Bonds, Series 2024A” (the “Series 2024A Bonds”); the Series 2024A Bonds to be issued and sold for the public purpose of (i) financing and refinancing all or a portion of the costs of or related to F. Scott Fitzgerald Theatre ADA Improvements, Lincoln Park Community Center Improvements, Outdoor Recreation Pool Renovations, Blue Plains Wastewater Treatment, and Water Infrastructure and Water Treatment Plant Projects, all as more fully set forth in Exhibit A attached hereto and (ii) paying the costs incurred by the City of Rockville in connection with the issuance, sale and delivery of the Series 2024A Bonds; prescribing the form and tenor of the Series 2024A Bonds and determining other matters relating to the issuance and sale thereof; determining that the best interests of the City of Rockville will be served by selling the Series 2024A Bonds at a public (competitive) sale; authorizing the publication of one or more notices of said sale; determining all other details in connection with said sale; providing for the disbursement of the proceeds of the Series 2024A Bonds; providing for the levy and collection of all *ad valorem* taxes necessary to provide for the payment of the interest on, and the principal of, the Series 2024A Bonds as they become due, such taxes to be levied upon all property subject to assessment for unlimited municipal taxation within the corporate limits of the City of Rockville; providing that the proceeds of the Series 2024A Bonds, or any moneys which may be deemed to be proceeds, will not be used in a manner which would cause the Series 2024A Bonds to be arbitrage bonds and making certain other covenants to assure the exclusion of interest on the Series 2024A Bonds from gross income for federal income tax purposes; appointing a paying agent and registrar for the Series 2024A Bonds; and generally providing for the issuance, sale and delivery of all the Series 2024A Bonds.

RECITALS

For convenience of reference, The Mayor and Council of Rockville, a municipal corporation of the State of Maryland, is hereinafter referred to as the "City."

The authority for the powers herein exercised is contained in Article VII, Section 11 of the Charter of the City of Rockville, as amended (hereinafter sometimes referred to as the "Charter") and in Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Enabling Act"), such authority being hereinafter sometimes referred to collectively as the "Acts."

The Acts enable the City to issue bonds for the purpose of financing and refinancing the costs of capital projects.

The City finds it to be in the public interest to borrow money to (i) finance and refinance all or a portion of the costs of the projects listed on Exhibit A attached hereto; and (ii) pay the costs incurred by the City in connection with the issuance, sale and delivery of said bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, that:

Section 1: Acting pursuant to the authority of the Acts, the City hereby determines that the net proceeds from the sale of its General Obligation Bonds, Series 2024A, authorized to be issued and sold by this Ordinance (the "Series 2024A Bonds"), shall be used and applied to (i) finance and refinance all or a portion of the costs of the projects listed on Exhibit A attached hereto, and (ii) pay the costs incurred by the City in connection with the issuance, sale and delivery of the Series 2024A Bonds.

Section 2: It is hereby determined that the City shall borrow money and incur indebtedness for the purposes set forth in this Ordinance. To evidence such borrowing and indebtedness and acting pursuant to the authority of the Acts, the City shall issue and sell, upon its full faith and credit, from time to time, one or more series of its general obligation, fully registered bonds, said issue of bonds to be known as "The Mayor and Council of Rockville General Obligation Bonds, Series 2024A" in an aggregate principal amount not to exceed Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000). The City Manager of the City (the "City Manager") is hereby authorized and directed to determine the aggregate principal amount and the principal amount per maturity of the Series 2024A Bonds to be issued in order to further the best interests of the City.

Section 3: The Series 2024A Bonds shall all be dated as of the date of their issuance, shall be in the denominations of \$5,000 or any integral multiple thereof, shall be numbered from one (1) consecutively upwards in the order of their maturities and each such number shall be prefixed by the letter "R." The Bond Registrar (hereinafter designated) may make such additional provision for numbering, including additional

prefixes and suffixes, as it may deem appropriate. The Series 2024A Bonds shall mature on June 1 in such years and in such principal amounts as the City Manager shall determine in order to further the best interests of the City.

Section 4: The Series 2024A Bonds maturing on or before June 1, 2034 shall not be subject to redemption prior to their respective maturities. The Series 2024A Bonds maturing on or after June 1, 2035 shall be subject to redemption prior to their respective maturities at the option of the City at any time on or after June 1, 2034, either as a whole or in part, in such order of maturity and within any maturity in such amount as directed by the City, at par plus accrued interest; provided, however, that the City Manager is hereby authorized and directed to specify such other optional redemption features with respect to the Series 2024A Bonds as he may deem to be in the best interests of the City.

The Series 2024A Bonds shall be subject to mandatory sinking fund redemption to the extent so provided in the winning bid for the Series 2024A Bonds submitted in accordance with the provisions of Section 8 hereof.

If less than all of the Series 2024A Bonds of any one maturity are called for redemption, the particular Series 2024A Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its sole discretion may determine, provided that any Series 2024A Bonds held in book-entry form shall be selected in accordance with the procedures of the securities depository.

When less than all of a Series 2024A Bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon the surrender of such Series 2024A Bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such Series 2024A Bond, at the option of such owner, registered Series 2024A Bonds in any of the authorized denominations, the aggregate face amount of such Series 2024A Bonds not to exceed the unredeemed balance of the registered Series 2024A Bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If, in accordance with the foregoing options, the City elects to redeem all or a portion of the outstanding Series 2024A Bonds, it will give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Series 2024A Bonds to be redeemed at least thirty (30) days and not more than sixty (60) days prior to the redemption date, at the addresses of such owners appearing on the registration books kept by the Bond Registrar; provided, however, that if the Series 2024A Bonds are held in book-entry form, in lieu of mailing such notice, the City shall deliver a redemption notice to the securities depository not less than 30 days prior to the date fixed for redemption by a secure means in accordance with the security depository's applicable operational arrangements (or such fewer numbers of days as shall be acceptable to the security depository); and provided further that the failure to deliver or mail any such notice or any

defect in the notice so delivered or mailed or the delivery or mailing thereof shall not affect the validity of any redemption proceedings. Such notice shall state for all Series 2024A Bonds being redeemed: maturity date, certificate numbers, redemption date, redemption price, whether the Series 2024A Bonds are being redeemed in whole or in part and shall also state that on the redemption date the interest on the Series 2024A Bonds so called shall cease to accrue and the redemption price shall become due and payable and shall require that the Series 2024A Bonds so called be presented for redemption and payment at the designated office of the Paying Agent (hereinafter designated). The redemption notice may be conditioned upon receipt of sufficient funds on the redemption date to pay the redemption price of the Series 2024A Bonds called for redemption, plus interest accrued to the redemption date, or such other conditions as are set forth in the redemption notice.

The City may also provide such further notices and take such further actions as it deems necessary in connection with such redemption, including any such notices or actions as are required by the Securities and Exchange Commission or by the Municipal Securities Rulemaking Board.

From and after the date fixed for redemption, if funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date and any other conditions to redemption have been satisfied, the Series 2024A Bonds so designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with said notice, the Series 2024A Bonds so called for redemption shall be paid by the Paying Agent at the redemption price plus any accrued interest. If not so paid on presentation thereof, said Series 2024A Bonds so called shall continue to bear interest at the rates expressed therein until paid. All Series 2024A Bonds redeemed and paid hereunder will be canceled.

Section 5: All of the Series 2024A Bonds authorized by this Ordinance shall bear interest at such interest rate or rates as shall be approved by the City Manager upon receipt of competitive bids for the Series 2024A Bonds and award the sale thereof. Each Series 2024A Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date, or unless authenticated prior to the first interest payment date, in which event it shall bear interest from the date of the Series 2024A Bonds; provided, however, that if at the time of authentication of any Series 2024A Bond interest is in default, such Series 2024A Bond shall bear interest from the date to which interest has been paid. The interest on all Series 2024A Bonds shall be paid semi-annually on June 1 and December 1, beginning June 1, 2025, of each year in which any Series 2024A Bonds may be outstanding and shall be computed on a 360-day year, 30-day month basis.

All Series 2024A Bonds shall be executed in the name of the City and on its behalf by the Mayor of Rockville. Such signature of the Mayor of Rockville may be manually affixed or may be imprinted on such Series 2024A Bonds by facsimile; either a facsimile

or an original of the corporate seal of Rockville shall also be imprinted thereon, attested by the manual or facsimile signature of the City Clerk/Director of Council Operations of Rockville.

The issuance and delivery of the Series 2024A Bonds is subject to the approving opinion of McGuireWoods LLP.

In the event any official whose signature shall appear on such Series 2024A Bonds shall cease to be such official prior to the delivery of the Series 2024A Bonds, or in the event any such official whose signature shall appear on the Series 2024A Bonds shall have become such after the date of issue thereof, the Series 2024A Bonds shall nevertheless be valid and legally binding obligations of the City in accordance with their terms.

Notwithstanding any other provision of this Ordinance, it is intended that the Series 2024A Bonds will be issued as “book-entry only” securities. The City will issue one bond for each maturity of the Series 2024A Bonds in the name of Cede & Co., nominee for The Depository Trust Company (“DTC”), and beneficial ownership of the Series 2024A Bonds will be evidenced by book entries maintained by DTC. The City Manager is hereby authorized and directed to take whatever actions are necessary or advisable to facilitate the issuance of the Series 2024A Bonds as book-entry only securities.

All Series 2024A Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 each or any integral multiples thereof, and shall be registered in the name or names of the owner or owners thereof, on books kept for such purpose at the principal office of the Bond Registrar. Payment of the principal of and interest on the Series 2024A Bonds shall be made to the persons in whose names such Series 2024A Bonds are registered on the registration books maintained by the Bond Registrar as the registered owners thereof, such principal to be payable at the designated office of the Paying Agent upon presentation and surrender of such Series 2024A Bonds as the same become due and payable, and such interest to be payable by check mailed by the Paying Agent on the date such interest is payable to the persons in whose names the Series 2024A Bonds are registered as of the close of business on the regular record date which shall be the fifteenth day of the month immediately preceding each interest payment date (the “Regular Record Date”) at such registered owner’s address as it appears on the registration books maintained by the Bond Registrar.

The City is hereby designated as the Bond Registrar and as the Paying Agent for the Series 2024A Bonds, subject to further action by the City.

Any interest on any Series 2024A Bond which is payable but not punctually paid or duly provided for (“Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date and such Defaulted Interest may be paid by the City, at its election in each case, as provided in paragraph (a) or (b) below:

(a) The City may elect to make payment of any Defaulted Interest on the Series 2024A Bonds to the persons in whose names such Series 2024A Bonds are registered at the close of business on a record date for the payment of such Defaulted Interest (the "Special Record Date"), which shall be fixed in the following manner. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on the Series 2024A Bonds and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time the City shall deposit or cause to be deposited with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as provided in this paragraph. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name of the City, shall cause notice of the payment date for such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner as of a date not less than ten (10) days prior to such Special Record Date at such owner's address as it appears in the registration books maintained by the Bond Registrar. The Paying Agent may, in its discretion, in the name of the City, cause a similar notice to be published at least once in a newspaper of general circulation in each of Baltimore, Maryland and/or the Borough of Manhattan, New York, New York but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid on the date fixed for such payment to the registered owners of the Series 2024A Bonds as of the close of business on the Special Record Date.

(b) The City may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2024A Bonds may be listed, and upon such notice as may be required by such exchange, if, after notice given by the City to the Paying Agent of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable, and approved in writing, by the Paying Agent.

Section 6: Except as provided hereinafter or in ordinances or resolutions of The Mayor and Council of Rockville adopted prior to the issuance and delivery of the Series 2024A Bonds, all Series 2024A Bonds shall be substantially in the form of Exhibit C, attached hereto and made a part hereof, with appropriate insertions as therein indicated, which form and all of the covenants therein contained are hereby adopted by the City as and for the form of obligation to be incurred by the City, and said covenants and conditions are hereby made binding upon the City, including the promise to pay therein contained.

Section 7: The City Manager shall be and is hereby authorized to make such changes in the form of bond set forth in Exhibit C to this Ordinance, as the City Manager shall deem necessary to carry into effect the purposes of this Ordinance or to comply with recommendations of legal counsel; provided, however, that the City Manager shall make no change affecting the substance of the Series 2024A Bonds authorized by this Ordinance.

Section 8: It is hereby determined that it is in the best interests of the City to sell the Series 2024A Bonds at public (competitive) sale. The City Manager is hereby authorized and directed to publish one or more notices calling for bids for the Series 2024A Bonds in a newspaper of general circulation in the City, such notice to be published twice, and the first publication to be at least ten days before the date of the receipt of bids. The Notice of Sale with respect to the Series 2024A Bonds shall be substantially in the form of Exhibit B attached hereto, subject to such changes, insertions and amendments as the City Manager deems necessary and approves, his publication of such notice to constitute conclusive evidence of such approval. Notwithstanding the provisions of this Section 8, the City Manager may cause to be published a summary notice of sale which in his judgment serves substantially the purposes of publication.

The Series 2024A Bonds will be suitably prepared and duly executed and delivered to the entity submitting the winning bid for the Series 2024A Bonds (the "Purchaser") in accordance with the conditions of delivery as set forth in this Ordinance as soon as practicable, upon due notice and at the expense of the City, at such place as may be agreed upon between the Purchaser of the Series 2024A Bonds and the City, upon payment in Federal or other immediately available funds of the purchase price of the Series 2024A Bonds.

The Series 2024A Bonds and their issuance and sale shall be exempt from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as amended.

Section 9: The Mayor of the City and the City Manager are hereby authorized to prepare and distribute a preliminary official statement with respect to the Series 2024A Bonds (the "Preliminary Official Statement"), to deem such Preliminary Official Statement to be "final" as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), to execute and deliver a Continuing Disclosure Agreement pursuant to the Rule, and to take such further action and to execute such other documents as are necessary or desirable in connection with the issuance of the Series 2024A Bonds.

Section 10: Davenport & Company LLC is hereby recognized and appointed as the financial advisor to the City in connection with the issuance of the Series 2024A Bonds.

Section 11: (a) The City shall apply such amount of the proceeds of the Series 2024A Bonds as shall be deemed necessary by the Chief Financial Officer to the financing

and refinancing of all or a portion of the costs of the projects listed on Exhibit A. Such amounts shall be invested upon the direction of the Chief Financial Officer, pending their application in accordance with the provisions hereof.

(b) The Chief Financial Officer shall apply proceeds of the Series 2024A Bonds to the payment of the costs of issuance thereof. Such amounts shall be invested upon the direction of the Chief Financial Officer, pending their application in accordance with the provisions hereof.

Section 12: For the purpose of paying the principal of and interest on the Series 2024A Bonds authorized to be issued by this Ordinance, the City shall levy or cause to be levied, and there is hereby levied, in each and every fiscal year in which any of the Series 2024A Bonds are outstanding, an *ad valorem* tax or taxes upon all of the legally assessable property within the corporate limits of the City in rate and amount sufficient to provide for the payment, when due, of the principal of all of the Series 2024A Bonds maturing in each such fiscal year and of all of the interest on the Series 2024A Bonds coming due in each such fiscal year, and, in the event the proceeds from the taxes so levied in each such fiscal year shall prove inadequate for the above purposes, additional taxes shall be, and are hereby, levied in the subsequent fiscal year to make up any deficiency. It is the intent of this Ordinance that the rate of said *ad valorem* taxes shall be so computed in each fiscal year that the proceeds of such *ad valorem* taxes, together with any other funds then lawfully available for the purpose, shall provide sufficient funds to meet said maturing principal of and interest on all of the Series 2024A Bonds.

The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the payment to maturity of the principal of and interest on the Series 2024A Bonds authorized by this Ordinance as and when the same respectively mature and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Series 2024A Bonds hereby authorized to be issued. The City hereby solemnly covenants and agrees with each registered owner (from time to time) of the Series 2024A Bonds to levy and collect the taxes hereinabove described and to take any other action that may be appropriate from time to time during the period that any of the Series 2024A Bonds remain outstanding and unpaid to provide the funds necessary to make principal and interest payments thereon.

Section 13: (a) The City intends to issue the Series 2024A Bonds with the expectation that the interest thereon will be excludable from the gross income of the holders thereof for federal income tax purposes. The Chief Financial Officer shall be the officer of the City responsible for the issuance of the Series 2024A Bonds within the meaning of the Arbitrage Regulations (defined herein). The Chief Financial Officer shall also be the officer of the City responsible for the execution and delivery (on the date of the issuance of the Series 2024A Bonds) of a certificate of the City (the "Non-Arbitrage Certificate and Tax Covenants") which complies with the requirements of Section 148 of

the Internal Revenue Code of 1986, as amended ("Section 148"), and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officer is hereby authorized and directed to execute and deliver the Non-Arbitrage Certificate and Tax Covenants to counsel rendering an opinion on the validity of the Series 2024A Bonds on the date of the issuance of the Series 2024A Bonds.

(b) The City shall set forth in the Non-Arbitrage Certificate and Tax Covenants its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Series 2024A Bonds or of any moneys, securities or other obligations to the credit of any account of the City which may be deemed to be proceeds of the Series 2024A Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, the "Bond Proceeds"). The City covenants and agrees with the registered owners of the Series 2024A Bonds that the facts, estimates and circumstances set forth in the Non-Arbitrage Certificate and Tax Covenants will be based on the City's reasonable expectations on the date of issuance of the Series 2024A Bonds and will be, to the best of the certifying officers' knowledge, true and correct as of that date.

(c) The City covenants and agrees with the registered owners of the Series 2024A Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Series 2024A Bonds to be "arbitrage bonds" within the meaning of Section 148 and the Arbitrage Regulations. The City further covenants that it will comply with Section 148 (or any successor provision thereto) and the regulations thereunder which are applicable to the Series 2024A Bonds on the date of issuance of the Series 2024A Bonds and which may subsequently lawfully be made applicable to the Series 2024A Bonds.

(d) The City further covenants that it shall make such use of the proceeds of the Series 2024A Bonds, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2024A Bonds. All officers, employees and agents of the City are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Series 2024A Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the City's compliance with, the covenants set forth in this Section.

Section 14: This Ordinance shall take effect from and after the date of final passage.

THE FOREGOING ORDINANCE was introduced at a meeting of the Mayor and Council of Rockville held on August 5, 2024, and, its title having been included on the published agenda for the meeting of August 5, 2024, and all other requirements of law for published notice or hearing having been complied with, was finally passed by the Mayor and Council of Rockville on August 5, 2024.


Sara Taylor-Ferrell, City Clerk/Director of Council Operations

Exhibit A

List of Projects

Capital Projects Fund Projects	Debt Amount	Issue Fiscal Year	Maturity
F. Scott Fitzgerald Theatre ADA Improvements (RA20)	\$920,000	2025	20 Years
Lincoln Park Community Center Improvements (RA22)	1,500,000	2025	20 Years
Outdoor Recreation Pool Renovations (RC18)	10,446,000	2025	20 Years
Capital Projects Fund Subtotal	\$12,866,000		

Sewer Fund Project	Debt Amount	Issue Fiscal Year	Maturity
Blue Plains Wastewater Treatment (UA21)	\$5,809,300	2025	20 Years
Sewer Fund Subtotal	\$5,809,300		

Water Fund Project	Debt Amount	Issue Fiscal Year	Maturity
Water Infrastructure and Water Treatment Plant Projects	\$8,187,500	2025	20 Years
Water Fund Subtotal	\$8,187,500		

GRAND TOTAL	\$26,862,800
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Exhibit B

Notice of Sale

\$ _____ *

Mayor and Council of Rockville
General Obligation Bonds, Series 2024A

NOTICE IS HEREBY GIVEN that the above-captioned bonds (the “Bonds”) will be offered for sale by The Mayor and Council of Rockville (the “City”) according to the following terms:

TIME AND PLACE

Electronic bids for the Bonds will be received by the Chief Financial Officer of the City through the PARITY® system on Wednesday, September 25, 2024, until [10:30 A.M.], Eastern Time. Consideration for award of the Bonds will be by the City Manager on the same day.

DETAILS OF THE BONDS

The Bonds will be dated October 9, 2024, as the date of original issue, and will bear interest payable on June 1 and December 1 of each year, commencing June 1, 2025. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued pursuant to the authority of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with an ordinance enacted by the City on August 5, 2024.

The Bonds will mature on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
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* Preliminary, subject to change.

TERM BOND OPTION

Bidders may designate in their bid two or more consecutive serial maturities beginning no earlier than June 1, [2035] and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than June 1, [2036]. More than one such sequence of serial maturities may be designated as a term bond. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

ADJUSTMENTS TO PRINCIPAL AMOUNTS AFTER DETERMINATION OF BEST BID

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to reduction or increase by the City after the receipt of bids for their purchase. The final aggregate principal amount and maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 P.M. Eastern Time on the date of sale and will not reduce or increase the aggregate principal amount of the Bonds by more than 15% of the bid by the successful bidder. The dollar amount bid for principal by the successful bidder will be adjusted to reflect any reduction or increase in the aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Bond Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

BOND REGISTRAR AND PAYING AGENT

The City will act as the Bond Registrar and Paying Agent for the Bonds.

OPTIONAL REDEMPTION

The Bonds maturing on or after June 1, 2035 shall be subject to redemption prior to their respective maturities at the option of the City at any time on or after June 1, 2034, either as a whole or in part, in such order of maturity and within any maturity in such amount as directed by the City, at par plus accrued interest.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City to which the City will pledge its full faith and credit and unlimited taxing powers. The proceeds will be used to finance water, sewer, and other capital projects and to pay the costs of issuing the Bonds.

SUBMISSION OF BIDS

Electronic bids must be submitted through PARITY® for purposes of the electronic bidding process and the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of this Notice of Sale. None of the City, its agents, nor PARITY® shall have any duty or obligation to provide or ensure electronic access to any qualified prospective bidder, and none of the City, its agents nor PARITY® shall be responsible for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by, PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds and PARITY® is not an agent of the City.

The City is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the “Bid Specifications” hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021 and notify the City’s Financial Advisor, Davenport & Company LLC, by facsimile at (866) 932-6660 and by telephone at (410) 296-9426.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via PARITY®. Bids will be communicated electronically to the City at [10:30 A.M.] Eastern Time, on September 25, 2024. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the City, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided.

If any provisions of this Notice of Sale conflict with information provided by PARITY®, this Notice of Sale shall control. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York City, New York 10018, Customer Support, (212) 849-5021.

BID SPECIFICATIONS

Interest rates must be in integral multiples of 1/8 or 1/20 of 1%. Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate from the date of the Bonds to the date of maturity. Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5.00%, or (3) a zero rate of interest. The difference between the highest and lowest interest rates may not exceed three percent (3.00%). A bid for the Bonds that specifies split or supplemental interest rates will not be considered. The City will also not consider and will reject any bid for the purchase of less than all of the Bonds. No conditional bids will be accepted.

GOOD FAITH DEPOSIT

A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit may be provided in the form of a federal funds wire transfer in the amount of \$250,850 to be submitted to the City by the successful bidder not later than 3:00 P.M. Eastern Time (the "Deposit Deadline") on the date of sale. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Bonds will not be awarded to such bidder until the City has confirmation of receipt of the Deposit. The Deposit of the successful bidder will be retained by the City to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The City shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the City in its discretion without any financial liability of the City to the successful bidder or any limitation whatsoever on the City's right to sell the Bonds to a different purchaser upon such terms and conditions as the City shall deem appropriate.

AWARD

The Bonds will be awarded on the basis of the lowest interest cost to the City to be determined on a true interest cost (TIC) basis. The City's computation of the interest cost of each bid, in accordance with customary practice, will be controlling. Where the bids of two or more bidders result in the same lowest interest cost, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the City shall have the right to award all of the Bonds to one bidder. The City Manager's judgment shall be

final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 4:00 P.M. Eastern Time on the sale date. All bids shall remain firm until an award is made. No bid can be withdrawn or amended after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

ESTABLISHMENT OF ISSUE PRICE

The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the City and Bond Counsel. All actions to be taken by 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 identified herein and any notice or report to be provided to the City may be provided to the City's Financial Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

By submitting a bid, each bidder (i) confirms that its bid is a firm offer for the purchase of the Bonds identified in this Notice of Sale, on the terms set forth in its bid and this Notice of Sale, except as permitted by this Notice of Sale and (ii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the successful bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity 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 (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). 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. The City shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity 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 the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), 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 the 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 to the public.

The successful bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public 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.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

The City acknowledges that, in making the representation 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 an 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 a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the 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 who 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 (to which the bidder is a party) 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 it 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.

Sales of any Bonds to any person that is a related party 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 other than an underwriter or a related party,
- (ii) "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) 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),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the City to the successful bidder.

CUSIP NUMBERS; EXPENSES OF SUCCESSFUL BIDDER

CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the City will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Bonds.

SETTLEMENT

The Bonds will be delivered on or about October 9, 2024 without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of McGuireWoods LLP of Baltimore, Maryland, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City or its designee. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser’s non-compliance with said terms for payment.

PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT

The City has deemed the Preliminary Official Statement dated September 17, 2024 to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The City agrees to deliver to the successful bidder for its receipt no later than

seven business days after the date of sale of the Bonds an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. If so requested by the successful bidder for the Bonds at or before the close of business on the date of the sale, the City will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds of such issue by the successful bidder therefor, if any, as may be specified and furnished in writing by such bidder (the "Reoffering Information"). If no such information is specified and furnished by the successful bidder, the Official Statement will include the interest rate or rates on the Bonds resulting from the bid of such successful bidder. The successful bidder shall be responsible to the City and its officials for such Reoffering Information furnished by such bidder, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds. The successful bidder will also be furnished, without cost, with an electronic copy and a reasonable number of hard copies (not to exceed 25) of the Official Statement (and any amendments or supplements thereto).

CONTINUING DISCLOSURE

The City has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Such covenants are described in the Preliminary Official Statement dated September 17, 2024.

RIGHT TO CHANGE NOTICE OF SALE AND POSTPONE OFFERING

The City reserves the right to change the Notice of Sale and to postpone, from time to time, the date established for the receipt of bids. In the event of a postponement, the new date and time of sale will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service at least 24 hours prior to the time bids are to be submitted. On any such alternative sale date, bidders may submit electronic bids for the purchase of the Bonds in conformity with the provision of this Notice of Sale, except for any changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of the Bonds also may be postponed. Such changes, if any, will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 News Service at the time any alternative sale date is announced.

THE MAYOR AND COUNCIL OF ROCKVILLE

By: Chief Financial Officer

EXHIBIT A-1 TO
NOTICE OF SALE

§ _____
Mayor and Council of Rockville
General Obligation Bonds, Series 2024A

ISSUE PRICE CERTIFICATE
(Qualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

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 A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B 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.

2. ***Defined Terms.***

(a) *Issuer* means Mayor and Council of Rockville.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a 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.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(e) *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 paragraph 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 Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: _____
Title: _____

Dated: _____, 2024

SCHEDULE A

Expected Offering Prices of the Bonds

SCHEDULE B

Copy of Bid

EXHIBIT A-2 TO
NOTICE OF SALE

§ _____
Mayor and Council of Rockville
General Obligation Bonds, Series 2024A

ISSUE PRICE CERTIFICATE
(Nonqualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities Bonds, the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) Each Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (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 C.

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it 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 Offering Period for such Maturity, nor would it permit a related party to do so (the “hold-the-price rule”) and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule. Pursuant to such agreement, no Underwriter has offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

(a) ***10% Maturities*** means those Maturities of the Bonds shown in Schedule A hereto as the “10% Maturities.”

(b) ***Issuer*** means Mayor and Council of Rockville.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2024), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a 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.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(g) *Substantial Amount* means ten percent (10%).

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule B hereto as the “Undersold Maturities.”

(i) *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 paragraph 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 Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: _____
Title: _____

Dated: _____, 2024

SCHEDULE A

Sale Prices of the 10% Maturities

SCHEDULE B

Initial Offering Prices of the Undersold Maturities

SCHEDULE C

Pricing Wire

Exhibit C

[FORM OF SERIES 2024A BOND]

No. R--

\$ _____

UNITED STATES OF AMERICA
STATE OF MARYLAND
THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND
General Obligation Bond, Series 2024A

Interest Rate
Per Annum

Maturity Date

Date of Original Issue

CUSIP

June 1, 20____, 2024

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

THE MAYOR AND COUNCIL OF ROCKVILLE (the "City"), a municipal corporation created and existing under the laws of the State of Maryland, hereby acknowledges itself indebted, and, for value received, promises to pay to the Registered Owner shown above or registered assigns or legal representatives on the Maturity Date shown above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), the Principal Amount shown above or so much thereof as shall not have been paid upon prior redemption in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts upon presentation and surrender of this bond on the date such principal is payable or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day at the principal office of the City in Rockville, Maryland (in such capacity, the "Paying Agent"), and to pay to the registered owner hereof by check or draft, mailed to such registered owner at such owner's address as it appears on said registration books (the "Bond Register") maintained by the City (in such capacity, the "Bond Registrar") interest on said principal amount at the Interest Rate shown above (computed on a 360-day year, 30-day month basis) until payment of such principal amount, or until the prior redemption hereof, such interest being payable semi-annually on June 1 and December 1, beginning June 1, 2025, to the person in whose name this bond is registered on the Bond Register as of the close of business on the regular record date, which shall be the fifteenth day of the month immediately preceding each interest payment date (the "Regular Record Date") and shall be made by check mailed by the Paying Agent on the interest payment date to such person's address as it appears on the Bond Register. 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 date fixed by the Paying Agent for the payment of such defaulted interest (the "Special Record Date"), notice of such payment date and the Special Record Date

therefor being given by letter mailed first class, postage prepaid, to the registered owner hereof not less than ten (10) days prior to such Special Record Date at the address of such owner as it appears on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirement of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange. Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Date of Original Issue shown above.

“Business Day” means a day other than a Saturday, Sunday or a day on which the City is authorized or obligated by law or required by executive order to remain closed.

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

This bond is one of a duly authorized issue of general obligation bonds of the City designated “General Obligation Bonds, Series 2024A” aggregating _____ Million _____ Dollars (\$____,____,000) in principal amount, which are in denominations of \$5,000 or any integral multiple thereof and mature [serially] in installments on June 1 in each of the years 2025 to 2044, inclusive, and bear interest per annum, as follows:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		

The bonds are numbered from one consecutively upwards prefixed by the letter “R” and are of like tenor and effect except as to maturity, number, interest rate, denomination and redemption provisions, and are issued pursuant to and in full conformity with the provisions of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended (the “Charter”), and by virtue of due proceedings had and taken by The Mayor and Council of Rockville, particularly an Ordinance introduced and adopted on August 5, 2024 (the “Ordinance”).

The bonds maturing on or before June 1, 2034 are not subject to redemption prior to their respective maturities. The bonds maturing on or after June 1, 2035 are subject to redemption prior to their respective maturities at the option of the City at any time on or after June 1, 2034, either as a whole or in part, in such order of maturity and within any maturity in such amount as directed by the City, at par, plus interest accrued to the date fixed for redemption.

[Insert mandatory sinking fund redemption provisions if applicable]

If less than all of the bonds of any one maturity of this issue shall be called for redemption, the particular bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Bond Registrar in such manner as, in its discretion, it shall determine.

When less than all of a bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon the surrender of such bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such bond, at the option of such owner, registered bonds in any of the authorized denominations, the aggregate face amount of such bonds not to exceed the unredeemed balance of the registered bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If the City elects to redeem all or a portion of the outstanding bonds, it will give a redemption notice to the Depository (defined below) not less than 30 days prior to the date fixed for redemption (or such fewer number of days as shall be acceptable to the Depository) by a secure means as prescribed in the Ordinance. If the book-entry system is discontinued for the bonds, the City shall give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of such bonds at least thirty (30) days and not more than sixty (60) days prior to the redemption date, at the addresses of such owners appearing on the registration books kept by the Bond Registrar. Failure to deliver or mail such notice or any defect in the notice so delivered or mailed, or in the delivery or mailing thereof shall not affect the validity of the redemption proceedings. Such notice shall state the maturity date, certificate numbers, redemption date, redemption price, whether the bonds are being redeemed in whole or in part and the name and address of the Paying Agent and shall also state that on the redemption date the interest on the bonds so called shall cease to accrue and the redemption price shall become due and payable and shall require that the bonds so called be presented for redemption and payment at the designated office of that Paying Agent. From and after the date fixed for redemption, if funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date, the bonds so designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with said notice, the bonds so called for redemption shall be paid by the Paying Agent at the redemption price plus any accrued interest. If not so paid on presentation thereof, said bonds so called shall continue to bear interest at the rates expressed therein until paid. All bonds redeemed and paid hereunder will be canceled.

So long as all of the bonds shall be maintained in book-entry form with a securities depository (the "Depository") in accordance with the Ordinance: (1) in the event that fewer than all bonds of any one maturity shall be called for redemption, the Depository, and not the Bond Registrar, will select the particular accounts from which bonds or portions thereof will be redeemed in accordance with the Depository's standard procedures for redemption of obligations such as the bonds; (2) in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new bond in accordance with the provisions hereof and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto; and (3) payments of principal or redemption price of and interest on this bond shall be payable to the Depository or its assigns in accordance with the provisions of the Ordinance. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the principal sum shown on the face hereof and (B) such principal sum reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this Bond in accordance with the provisions hereof. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the City hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

This bond is transferable only upon the registration books kept at the designated office of the Bond Registrar, by the registered owner hereof in person, or by his or her 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 duly executed by the registered owner or his or her duly authorized attorney, and thereupon, within a reasonable time, the Bond Registrar shall issue in the name of the transferee a new registered bond or bonds of any authorized denominations in aggregate principal amount equal to the principal amount of this bond or the unredeemed portion hereof, and maturing on the same date and bearing interest at the same rate, and the new bond or bonds shall be delivered to the transferee only after payment of any tax or governmental charge required to be paid with respect to, and any shipping expenses or insurance relating to, such transfer and only after due authentication thereof by an authorized officer of the Bond Registrar. The Bond Registrar shall not be required to issue, transfer or exchange any bond during the period beginning fifteen days before any selection of bonds to be redeemed and ending on the day of delivery or mailing of the notice of redemption or to transfer or exchange any bond called or being called for redemption in whole or in part. The Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland, the Charter and the Ordinance to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that the issue of bonds of which this

is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said Constitution or statutes or Charter, and that due provision has been made for the levy and collection of an ad valorem tax or taxes upon all legally assessable property within the corporate limits of the City in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not be valid or become obligatory for any purpose, until this bond shall have been authenticated by an authorized officer of the Bond Registrar.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City, an original or facsimile of the corporate seal of the City has been imprinted hereon, attested by the manual or facsimile signature of the City Clerk/Director of Council Operations of the City as of the Date of Original Issue.

ATTEST:

THE MAYOR AND COUNCIL OF
ROCKVILLE

City Clerk/
Director of Council Operations

By: _____
Mayor

[SEAL]

CERTIFICATION OF AUTHENTICATION

The undersigned hereby certifies that this bond is one of the registered Bonds of The Mayor and Council of Rockville.

THE MAYOR AND COUNCIL OF
ROCKVILLE

By: _____
Authorized Officer of
Bond Registrar

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and does hereby constitute and appoint _____ to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

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

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>

