

RESOLUTION NO. R2016-04

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF MAYOR AND CITY COUNCIL OF CUMBERLAND (THE "CITY") AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE CITY'S GENERAL OBLIGATION BOND ANTICIPATION NOTES PURSUANT TO THE AUTHORITY OF SECTIONS 19-301 TO 19-309, INCLUSIVE, OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, SECTIONS 19-211 TO 19-223, INCLUSIVE, OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, SECTIONS 81 AND 82A OF THE CHARTER OF THE CITY OF CUMBERLAND, ORDINANCE NO. 3793, PASSED BY THE MAYOR AND CITY COUNCIL ON DECEMBER 15, 2015 AND EFFECTIVE ON JANUARY 14, 2016, AS AMENDED AND SUPPLEMENTED BY ORDINANCE NO. 3795, PASSED BY THE MAYOR AND CITY COUNCIL ON MAY 17, 2016 AND SCHEDULED TO BE EFFECTIVE ON JUNE 16, 2016, SUCH BOND ANTICIPATION NOTES TO BE DESIGNATED "MAYOR AND CITY COUNCIL OF CUMBERLAND TAXABLE BOND ANTICIPATION NOTES OF 2016" (THE "BANS"), THE PROCEEDS OF THE SALE OF THE BANS TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING OR REIMBURSING ON AN INTERIM BASIS COSTS OF A PUBLIC PURPOSE PROJECT REFERRED TO BY THE CITY AS THE "MARYLAND AVENUE REDEVELOPMENT PROJECT", AS FURTHER DESCRIBED HEREIN; PRESCRIBING THE FORM AND TENOR OF THE BANS, CERTAIN TERMS AND CONDITIONS FOR THE ISSUANCE AND SALE THEREOF BY PRIVATE NEGOTIATION TO M&T SECURITIES, INC. (THE "UNDERWRITER") AND OTHER DETAILS INCIDENT TO THE ISSUANCE,

SALE AND DELIVERY OF THE BANS; APPROVING THE SUBSTANTIALLY FINAL FORM OF, AND AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY OF, A NOTE PURCHASE AGREEMENT WITH THE UNDERWRITER; PROVIDING FOR ADJUSTMENTS IN THE SIZING OF THE BANS PROVIDED FOR HEREIN AND AUTHORIZING THE CITY ADMINISTRATOR TO DETERMINE AND FIX CERTAIN TERMS AND DETAILS IN CONNECTION WITH THE SALE OF THE BANS; AUTHORIZING AND APPROVING THE PREPARATION, COMPLETION AND DISTRIBUTION OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BANS; SELECTING A NOTE REGISTRAR AND PAYING AGENT, AND DETERMINING OR PROVIDING FOR CERTAIN MATTERS RELATING TO SUCH ENGAGEMENT; PROVIDING FOR THE APPROPRIATION, DISBURSEMENT AND INVESTMENT OF THE PROCEEDS OF THE BANS; COVENANTING TO ISSUE THE BONDS IN ANTICIPATION OF WHICH THE BANS ARE ISSUED AS SOON AS THERE IS NO LONGER A REASON FOR DEFERRING THEIR ISSUANCE; COVENANTING TO PAY FROM PROCEEDS OF THE BONDS IN ANTICIPATION OF WHICH THE BANS ARE ISSUED THE PRINCIPAL OF THE BANS AND, TO THE EXTENT NOT PAID FROM PROCEEDS OF THE BANS, INTEREST ON THE BANS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES NECESSARY FOR THE PROMPT PAYMENT OF THE MATURING PRINCIPAL OF AND INTEREST ON THE BANS; PROVIDING THAT THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY SHALL BE IRREVOCABLY PLEDGED TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST; PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON THE

BANS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE UNDERTAKING PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 AND COVENANTING TO PROVIDE CONTINUING DISCLOSURE RELATING TO THE BANS; AND GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF AND FOR THE BANS.

RECITALS

1. Mayor and City Council of Cumberland, a municipal corporation of the State of Maryland and municipality within the meaning of the Enabling Act and the Bond Anticipation Note Enabling Act identified herein (the “City”), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Enabling Act”), and Sections 81 and 82A of the Charter of the City of Cumberland, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds.

2. Pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 12 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Bond Anticipation Note Enabling Act”), the City is authorized and empowered to issue general obligation bond anticipation notes in order to obtain interim financing prior to issuing any general obligation bonds authorized by the City.

3. The City has determined to undertake a public purpose project referred to by the City as the “Maryland Avenue Redevelopment Project”, which involves the acquisition, demolition and improvement of certain properties in the general vicinity of Maryland Avenue and, in connection therewith, to finance, reimburse or refinance related costs of, as applicable, land and right-of-way acquisition and development; site and utility improvements; acquisition, demolition, removal, reconstruction, replacement, renovation, rehabilitation, construction, improvement, installation, and equipping activities and expenses and related activities and expenses; planning, design, architectural, engineering, feasibility, surveying, inspection, construction management, title search, acquisition closing costs, financial and legal expenses and other related activities and expenses; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); capitalized interest (whether or not expressly so stated); and any such costs which may represent the City’s share or contribution to the financing or refinancing of such project, including, without limitation, costs contracted for by and/or paid through the Cumberland Economic Development Corporation (collectively, the “Project”).

4. Pursuant to the authority of, as applicable, the Enabling Act, the Bond Anticipation Note Enabling Act, Sections 81 and 82A of the Charter and Ordinance No. 3793, passed by the Mayor and City Council of the City (the “Mayor and City Council”) on December 15, 2015 and effective on January 14, 2016 (“Ordinance No. 3793”), as amended and supplemented by Ordinance No. 3795, passed by the Mayor and City Council on May 17, 2016 and scheduled to be effective on June 16, 2016 (“Ordinance No. 3795” and, collectively with Ordinance No. 3793, the “Ordinance”), the City authorized (i) the issuance and sale from time to time, upon its full faith and credit, of one or more series of its general obligation bonds in an aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (collectively, the “Authorized Bonds”) for

the public purpose of financing, reimbursing or refinancing costs of any components of the Project, and (ii) the issuance and sale from time to time, upon its full faith and credit, of one or more series of its general obligation bond anticipation notes in an aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (collectively, the "Authorized BANs") prior to and in anticipation of the sale of any series of the Authorized Bonds in order to finance or reimburse costs of the Project on an interim basis, pay costs and expenses in connection with the issuance, sale and delivery of the Authorized BANs, and, to the extent determined by the Mayor and City Council by resolution, pay capitalized interest on the Authorized BANs. Notwithstanding the foregoing, in the event Ordinance No. 3795 does not become effective in accordance with its terms and the terms of the Charter, the Authorized Bonds and the Authorized BANs are each authorized by Ordinance No. 3793 to be issued and sold in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000).

5. The Mayor and City Council, acting on the advice of the financial advisor to the City, the City Administrator of the City (the "City Administrator") and the Comptroller of the City (the "Comptroller"), has determined that it is in the best interests of the City and its citizens to issue and sell in accordance with and pursuant to the authority contained in the Enabling Act, the Bond Anticipation Note Enabling Act, Sections 81 and 82A of the Charter, and the Ordinance, a single series of the Authorized BANs, the interest on which will be taxable for purposes of federal income taxation, in order to finance or reimburse costs of the Project on an interim basis, upon the terms and conditions set forth in this Resolution, the proceeds of which general obligation bond anticipation notes are to be used and applied as herein set forth.

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF CITY OF CUMBERLAND, THAT:

SECTION 1. (a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated herein by reference. Capitalized terms used in the Sections of this Resolution that are not otherwise defined herein shall have the meanings given to such terms in the Recitals hereto.

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

(c) With respect to any responsibility, right, power or duty delegated solely to the City Administrator by the terms of this Resolution, in the event of the absence or disability of the City Administrator at the time of exercise of any such responsibility, right, power or duty, and in the event that at such time no Acting City Administrator has been appointed or otherwise provided for, any such responsibility, right, power or duty may be exercised by the Mayor of the City (the "Mayor").

(d) To the extent this Resolution does not specifically identify how any responsibility, right, power or duty delegated to the City Administrator by the terms hereof shall be

evidenced, any such exercise may be evidenced conclusively by the execution and delivery by the City Administrator of an order with respect thereto.

(e) In the event Ordinance No. 3795 does not become effective in accordance with its terms and the terms of the Charter, references in this Resolution to the Ordinance shall be deemed to refer solely to Ordinance No. 3793.

SECTION 2. (a) Pursuant to the authority of the Enabling Act, the Bond Anticipation Note Enabling Act, Sections 81 and 82A of the Charter and the Ordinance, the City hereby determines to borrow money and incur indebtedness for the public purpose of financing or reimbursing costs of any components of the Project (including costs of issuance and capitalized interest) on an interim basis.

(b) To evidence the borrowing and indebtedness authorized in Section 2(a) of this Resolution, the City, acting pursuant to the authority of the Enabling Act, the Bond Anticipation Note Enabling Act, Sections 81 and 82A of the Charter and the Ordinance, hereby determines to issue and sell, upon its full faith and credit, a series of its general obligation bond anticipation notes to be designated as the “Mayor and City Council of Cumberland Taxable Bond Anticipation Notes of 2016” (individually, a “BAN” and, collectively, the “BANs”) in the maximum aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000); provided that, in the event Ordinance No. 3795 does not become effective in accordance with its terms and the terms of the Charter, the BANs shall be issued in a maximum aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000). The City Administrator, on behalf of the City, with the advice of the Comptroller, is hereby authorized and empowered to determine the final aggregate principal amount of the BANs to be issued within the limitations set forth in this Resolution, such determination to be evidenced conclusively by the

terms of the final Note Purchase Agreement executed and delivered by the City Administration in accordance with the provisions of Section 8 of this Resolution.

SECTION 3. (a) The BANs shall be dated the date of their delivery and shall be issued initially in book-entry only form as fully-registered bond anticipation notes, without coupons attached, by issuing a single note for each maturity of the BANs registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company, New York New York, or its successor (“DTC”); provided that, if DTC so requests, or a system of book-entry only registration of the BANs is discontinued, replacement bond anticipation notes shall be issued in denominations of \$5,000 and integral multiples thereof and shall be consecutively numbered in such manner as shall be determined by the Note Registrar and Paying Agent identified in Section 10 of this Resolution.

(b) Subject to the further provisions of this Section 3, the BANs shall mature on June 1, 2019, subject to prior redemption at the option of the City.

(c) Subject to the further provisions of this Section 3, interest on the BANs shall be payable on December 1, 2016 and semi-annually thereafter on each June 1 and December 1 until maturity or prior redemption. Interest payments due on the BANs shall be made to the registered owners thereof who are the registered owners of record as of the 15th day of the month preceding the month in which an interest payment date occurs. The BANs shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from the date of delivery. Interest shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(d) The principal or redemption price of the BANs shall be payable at the designated corporate trust office of the Note Registrar and Paying Agent. Interest on the BANs shall be payable by check or draft of the Note Registrar and Paying Agent mailed to the owners thereof; provided that, so long as the BANs are registered in book-entry form under a book-entry

only system maintained by DTC, any successor thereto or any replacement securities depository (the "Securities Depository"), payments of the principal or redemption price of and interest on the BANs shall be made as required by the rules and regulations of such Securities Depository.

(e) Notwithstanding anything to the contrary contained in this Resolution, the City Administrator, on behalf of the City, with the advice of the Comptroller, the financial advisor to the City and bond counsel to the City, is hereby authorized and empowered to approve a different maturity schedule for the BANs (including, without limitation, to allow for more than one maturity of the BANs), different dates for the payment of principal of and interest on the BANs, a different first date on which payment of interest on the BANs will be made, and/or different record dates if the maturity of the BANs is not on the first (1st) calendar day of a month, in order to account for changes in market conditions, factors impacting the marketing of the BANs or the status of contracts relating to the Project, among other reasons; provided that, in no event shall any of the BANs mature later than June 1, 2020. In the event any such determination is made prior to the date of release of the Preliminary Official Statement provided for in Section 9 of this Resolution, approval of any such changes shall be evidenced conclusively by the provisions of the Preliminary Official Statement reflecting the same. In the event any such determination is made after the date of release of the Preliminary Official Statement but before the date of sale of the BANs, any such approval shall be evidenced conclusively by the execution and delivery by the City Administrator of the final Note Purchase Agreement reflecting such changes and by the provisions of the Official Statement provided for in Section 9 of this Resolution reflecting such changes.

SECTION 4. (a) Subject to the provisions of subsection (b) below, the BANs shall be subject to redemption prior to maturity at the option of the City, in whole or in part, on June 1,

2017 or on any date thereafter, at a redemption price of 100% of the principal amount of the BANs (or portions thereof) to be redeemed, plus interest accrued to the date fixed for redemption, without penalty or premium.

(b) Notwithstanding the provisions of subsection (a) above, the City Administrator, on behalf of the City, with the advice of the Comptroller and the financial advisor to the City, is hereby authorized and empowered to agree to different optional redemption features in order to account for changes in market conditions, factors impacting the marketing of the BANs, and/or to reflect changes to the amortization schedule of the BANs made in accordance with Section 3(e) of this Resolution. In the event any such determination is made prior to the date of release of the Preliminary Official Statement, approval of any such changes shall be evidenced conclusively by the provisions of the Preliminary Official Statement reflecting the same. In the event any such determination is made after the date of release of the Preliminary Official Statement but before the date of sale of the BANs, any such approval shall be evidenced conclusively by the execution and delivery by the City Administrator of the final Note Purchase Agreement reflecting such changes and by the provisions of the Official Statement reflecting such changes.

(c) If fewer than all of the outstanding BANs shall be called for optional redemption, the City shall choose the maturities or portions thereof to be redeemed and the principal amount of each such maturity in its sole discretion. If fewer than all of the BANs of any one maturity shall be called for optional redemption, the particular BANs or portions of BANs to be redeemed from such maturity shall be selected by lot by the Note Registrar and Paying Agent; provided that, so long as the BANs are registered in the name of a Securities

Depository or its nominee, such selection shall be made by such Securities Depository in accordance with its rules and regulations.

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

(e) When any BANs are to be redeemed, the City shall cause a redemption notice to be given to the registered owners of the BANs to be redeemed in whole or in part by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books for the BANs kept by the Note Registrar and Paying Agent; provided, however, that the failure to mail a redemption notice or any defect in a notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the BANs are to be redeemed in whole or in part and, if in part, the maturities, numbers, principal amounts, interest rates and CUSIP numbers of the BANs to be redeemed, (ii) that the interest on the BANs or portions thereof to be redeemed shall cease to accrue on the date fixed for redemption, (iii) the date fixed for redemption, (iv) the address of the office of the Note Registrar and Paying Agent with a contact person and phone number, and (v) that the BANs or portions thereof to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the designated corporate trust office of the Note Registrar and Paying Agent. Such

notice may state that it is conditioned upon receipt of sufficient funds to effect such redemption by the date fixed for redemption. Notwithstanding anything to the contrary contained in this subsection (e), so long as the BANs to be redeemed are registered in book-entry only form with a Securities Depository, any redemption notice shall be given in the manner and at the time required by the rules and regulations of such Securities Depository.

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

SECTION 5. The BANs shall be executed in the name of the City and on its behalf by the Mayor, by manual or facsimile signature. The corporate seal of the City shall be affixed to the BANs (manually or by facsimile) and attested by the signature of the City Clerk of the City (the “City Clerk”), by manual or facsimile signature. The BANs shall be issued subject to registration as to principal and interest in the name of the owner or owners thereof on the books kept for registration and registration of transfer of the BANs at the designated corporate trust office of the Note Registrar and Paying Agent. The BANs shall be authenticated by the manual signature of an authorized officer of the Note Registrar and Paying Agent. The BANs shall not be valid for any purpose or constitute an obligation of the City unless so authenticated. In the event any official of the City whose signature appears on the BANs shall cease to be such official prior to the delivery of

the BANs, or, in the event any such official whose signature appears on the BANs shall have become such after the date of issue thereof, the BANs shall nevertheless be a valid and binding obligation of the City in accordance with their terms.

SECTION 6. (a) The BANs shall be transferable only upon the registration books kept at the designated corporate trust office of the Note Registrar and Paying Agent and by the registered owner in person, or by his duly authorized attorney in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Note Registrar and Paying Agent and duly executed by the registered owner thereof in person, or by his attorney duly authorized in writing, but no BAN will be transferred unless the Security Depository then in place determines to discontinue providing its services as a securities depository or directs that the BANs be re-registered in a different name or denomination, or unless the Securities Depository then in place is removed by the City.

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

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

(d) If any BAN shall become mutilated or be destroyed, lost or stolen, the City in its discretion may execute, and upon its request the Note Registrar and Paying Agent shall authenticate and deliver, a new BAN in exchange for the mutilated BAN or in lieu of and substitution for the BAN so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the City and to the Note Registrar and Paying Agent such security or indemnity as may be required by them to save each of them harmless from all risks, however remote, and the applicant shall also furnish to the City and to the Note Registrar and Paying Agent evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's BAN. Upon the issuance of any BAN upon such exchange or substitution, the City may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses of the City or the Note Registrar and Paying Agent, including counsel fees, shipping or insurance. If any BAN which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a BAN in exchange or substitution therefor, the City may pay or authorize the payment of such BAN (without surrender thereof except in the case of a mutilated BAN) if the applicant for such payment shall furnish to the City and to the Note Registrar and Paying Agent such security or indemnity as they may require to save them harmless, and evidence to the satisfaction of the City and the Note Registrar and Paying Agent of the mutilation, destruction, loss or theft of such BAN.

SECTION 7. Except as provided hereinafter or in a resolution or resolutions of the Mayor and City Council adopted prior to the issuance of the BANs, the BANs shall be issued in substantially the form attached hereto as Exhibit A and incorporated by reference herein. Appropriate variations, deletions and insertions may be made by the Mayor to provide names, dates, numbers and amounts applicable to a specific BAN, and modifications not altering the substance of the BANs to carry into effect the purposes of this Resolution, including (without limitation) to reflect matters determined in accordance with Sections 2, 3, 4 and 8 hereof, to comply with recommendations of legal counsel, or as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating on the BANs from such rating agency, or as may be required by any provider of municipal bond insurance for all or any portion of the BANs. (Notwithstanding the foregoing, it is anticipated that no ratings or municipal bond insurance shall be obtained with respect to the BANs unless the financial advisor to the City and the Underwriter otherwise recommend and the City Administrator, with the advice of the Comptroller, concurs with any such recommendation.) All of the covenants contained in Exhibit A hereto, as such form may be modified as provided herein, are hereby adopted by the City as and for the form of obligations to be incurred by the City, and the covenants and conditions contained therein are hereby made binding upon the City, including the promise to pay therein contained. The execution and delivery of the BANs by the Mayor in accordance with this Resolution shall be conclusive evidence of the approval by the Mayor of the final form of the BANs and any variations, deletions, insertions, omissions, notations, legends or endorsements authorized by this Resolution.

SECTION 8. (a) The Mayor and City Council hereby determines that it shall be in the best interests of the City to sell the BANs by private negotiation due to the fact that a prior attempt to privately place the BANs with a bank did not elicit any proposals and the ability to

time the market. Based on a recommendation of the financial advisor to the City, M&T Securities, Inc. was asked to submit a proposal to undertake a negotiated underwriting of the BANs. The financial advisor to the City recommends, and the City Administrator and the Comptroller concur, that M&T Securities, Inc. demonstrated the necessary knowledge of the Maryland and U.S. municipal bond markets and has the financial wherewithal and experience to serve as the underwriter of the BANs. Accordingly the Mayor and City Council hereby determines that the BANs shall be sold by the City to M&T Securities, Inc. (the "Underwriter") by private negotiation pursuant to the terms and conditions of a Note Purchase Agreement substantially in the form of Exhibit B attached hereto and incorporated by reference herein (the "Note Purchase Agreement"). Within the limitations provided for in this Resolution, the City Administrator, on behalf of the City, with the advice of the Comptroller, the financial advisor to the City and bond counsel to the City, is hereby authorized and empowered to approve the final maturity or maturity dates of the BANs, final aggregate principal amounts of the maturity or maturities of the BANs, any adjustments to the optional redemption features of the BANs, the price payable for the BANs (which may be at, above or below par value), the interest rate or rates payable on the BANs, and all other matters incident to the sale of the BANs to the Underwriter, and to approve the final form of, and to execute and deliver, the Note Purchase Agreement, with such other changes, insertions or deletions as do not materially adversely affect the interests of the City or are necessary to reflect the terms of pricing and sale of the BANs, such approval to be evidenced conclusively by the City Administrator's execution and delivery of the Note Purchase Agreement in final form. In determining the matters provided for in this subsection (a), the City Administrator shall take into account any other moneys that are available for the purposes for which the BANs are authorized. It is currently intended that the BANs shall be priced and sold

to the Underwriter on or about June 16, 2016, but the City Administrator, on behalf of the City, with the advice of the Comptroller, the financial advisor to the City and bond counsel to the City, is hereby authorized and empowered to agree to any later date of pricing and sale recommended by the Underwriter based on market conditions or other factors, such agreement to be evidenced conclusively by the execution and delivery by the City Administrator of the final form of the Note Purchase Agreement reflecting the finally determined date of pricing and sale of the BANs.

(b) In the event the Underwriter recommends that the BANs be sold with a municipal bond insurance policy guaranteeing the regularly scheduled payment of all or a portion of the principal of and interest on the BANs, the City Administrator, on behalf of the City, with the advice of the Comptroller, the financial advisor to the City and bond counsel to the City, is hereby authorized and empowered to approve the selection of the provider of such municipal bond insurance for the BANs and any terms and conditions relating to such municipal bond insurance, such approval to be evidenced conclusively by the execution and delivery by the City Administrator of any proposal therefor and any documents, certificates or instruments relating thereto. Appropriate provisions relating to any such provision of municipal bond insurance shall be reflected in the final form of the Note Purchase Agreement approved, executed and delivered by the City Administrator and, as applicable, in the Preliminary Official Statement and/or the Official Statement.

SECTION 9. (a) The preparation and distribution of a Preliminary Official Statement of the City in connection with the offering and sale of the BANs (the "Preliminary Official Statement"), substantially in such form as has been previously circulated to City officials (without Appendix A, the Comprehensive Annual Financial Report for fiscal year 2015, included in such circulated form, although such Comprehensive Annual Financial Report shall be

included in the final Preliminary Official Statement) and with such changes, corrections, insertions, deletions and clarifications as may be approved on behalf of the City by the Mayor, the City Administrator and the Comptroller, with the advice of the financial advisor to the City and legal counsel, including, (without limitation) to reflect any matters determined in accordance with the provisions of this Resolution, is hereby approved. The Mayor, the City Administrator and the Comptroller, on behalf of the City, are hereby authorized and directed to approve the final form of the Preliminary Official Statement in accordance with this Section 9(a) and to make any appropriate variations, insertions or modifications to the form of Preliminary Official Statement previously circulated not inconsistent with the provisions of the Enabling Act, the Bond Anticipation Note Enabling Act, the Charter, the Ordinance or this Resolution, as applicable, or to comply with the recommendations of legal counsel or the financial advisor to the City, or as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating on the BANs from any such rating agency, or as required by any provider of municipal bond insurance as a condition precedent to, or as otherwise related to, obtaining municipal bond insurance for all or any portion of the BANs from any such provider of municipal bond insurance, such approval to be evidenced conclusively by the execution and delivery by the Mayor, the City Administrator and the Comptroller, on behalf of the City, of a certificate deeming the Preliminary Official Statement to be final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), subject to revision, completion and amendment in the final Official Statement referred to in subsection (b) below. The Preliminary Official Statement shall be posted electronically and/or printed as the financial advisor to the City shall advise or as the Underwriter shall require.

(b) The preparation and distribution of a final Official Statement relating to the BANs (the “Official Statement”), substantially in the form of the Preliminary Official Statement, with such changes, corrections, additions and deletions not inconsistent with the provisions of the Enabling Act, the Bond Anticipation Note Enabling Act, the Charter, the Ordinance or this Resolution, as applicable, to reflect matters determined in connection with the sale of the BANs, or to comply with the recommendations of legal counsel or the financial advisor to the City, or as required by any rating agency as a condition precedent to, or as otherwise related to, obtaining a rating on the BANs from any such rating agency, or as required by any provider of municipal bond insurance for all or any portion of the BANs, as the Mayor, the City Administrator and the Comptroller shall approve on behalf of the City, is hereby authorized and approved. The Mayor, the City Administrator and the Comptroller are hereby authorized and directed to approve the final form of the Official Statement on behalf of the City, such approval to be evidenced conclusively by the Mayor’s, the City Administrator’s and the Comptroller’s execution and delivery of the Official Statement. The Official Statement shall be printed and/or posted electronically as advised by the financial advisor to the City and as required by the Underwriter.

(c) The Mayor, the City Administrator and the Comptroller, or any two of such officials acting in concert, on behalf of the City, with the advice of the financial advisor to the City and bond counsel to the City, are hereby authorized and directed to approve any supplements or amendments to the Preliminary Official Statement or the Official Statement deemed necessary or desirable after the printing or posting of the same (including, without limitation, to correct any material misstatement or omission or to provide any information that was not available at the time such Preliminary Official Statement or Official Statement was

released), such approval to be evidenced conclusively by the execution and delivery of any such supplement or amendment by the Mayor, the City Administrator and the Comptroller, or any two of such officials acting in concert, on behalf of the City.

(d) Any signatures of the officials authorized to approve the Preliminary Official Statement or the Official Statement or any supplements or amendments thereto in accordance with this Section 9 may be made in facsimile.

SECTION 10. (a) Manufacturers and Traders Trust Company, with offices in Baltimore, Maryland and Buffalo, New York, or any successor thereto, by merger, consolidation, or otherwise, is hereby designated as the Note Registrar and Paying Agent (the “Note Registrar and Paying Agent”) for the BANs. The Mayor and the City Administrator are each hereby authorized and empowered to negotiate and to execute and deliver such written agreement with the Note Registrar and Paying Agent as they shall deem to be necessary or appropriate. The City may designate another entity as Note Registrar and Paying Agent upon 30 days prior written notice to the registered owners of the BANs.

(b) Prior to each semi-annual interest payment date, the Treasurer of the City (the “Treasurer”) or other appropriate City official shall deposit with the Note Registrar and Paying Agent, from the proceeds of the Authorized Bonds or the taxes or other revenue described in Section 13 below or from any other funds then legally available for such purpose, the amounts needed to pay the interest on and any principal of the BANs coming due on each such interest payment date. All moneys so deposited with the Note Registrar and Paying Agent shall be deemed and treated by the Note Registrar and Paying Agent as trust funds for the use and benefit of the registered owners from time to time of the BANs. Any such trust funds held by the Note Registrar and Paying Agent for the payment of particular BANs for periods of more

than three years from their maturities or such other periods as may be required by applicable law, because of the failure of the registered owners of such BANs to present them for payment or because checks issued by the Note Registrar and Paying Agent in payment of interest shall not have been cashed and no registered owner of a BAN shall have established a right to payment of interest within such period, shall be returned by the Note Registrar and Paying Agent to the City and, thereafter, the registered owners of any such BANs shall have claims only against the City for payment of the obligations held by them, and the Note Registrar and Paying Agent shall be relieved of the trust hereby imposed.

SECTION 11. As soon as may be practicable after the date of execution of the Note Purchase Agreement, the BANs shall be suitably prepared in definitive form, executed and delivered to the Underwriter upon receipt of the net purchase price therefor. It is anticipated that the date of issuance of the BANs will be June 29, 2016; provided that, the City Administrator, on behalf of the City, with the advice of the Comptroller, the financial advisor to the City and bond counsel to the City, may determine to move the date of issuance of the BANs to another date satisfactory to such persons and to the Underwriter; any such determination to be evidenced conclusively by the terms of the Note Purchase Agreement. The Mayor, the City Administrator, the Treasurer, the Comptroller, the City Clerk and all other appropriate officials and employees of the City, as applicable, are expressly authorized, empowered and directed to take any and all action necessary to complete and close the sale and delivery of the BANs to the Underwriter and to negotiate, approve, execute and deliver all documents, certificates and instruments not otherwise provided for herein that are necessary or appropriate in connection therewith, including, without limitation, executing and delivering any agreements required by DTC with respect to the book-entry system of registration of the BANs or any documents relating to ratings or municipal bond insurance to be

provided with respect to the BANs. In addition, the Mayor and City Council hereby ratify, confirm and approve any agreements, documents or instruments pertaining to the BANs between the City and the Underwriter or the financial advisor to the City, or that relate to the City's continuing disclosure obligations under Rule 15c2-12 (as defined in Section 14 of this Resolution), that were executed and delivered by the Mayor, the City Administrator or the Comptroller prior to the date of adoption of this Resolution.

SECTION 12. (a) Subject to the provisions of subsection (b) below, the Treasurer or any other appropriate City official is each hereby designated and authorized to receive payment on behalf of the City of the proceeds of the sale of the BANs and to invest such proceeds. There may be deducted from the total gross proceeds of the sale of the BANs the amount of the Underwriter's discount payable with respect thereto and other expenses of sale of the BANs, net of any amounts made available from other sources for the payment of such costs, which deducted amounts shall be applied to pay such expenses of the sale. The proceeds of the BANs are hereby appropriated for the purposes of the Project and shall be deposited in the proper account or accounts of the City, shall be invested within any limits prescribed by Maryland and any other applicable law, and shall be used and applied exclusively for the purposes described herein. If the proceeds received from the sale of the BANs exceed the amount needed for the public purposes of Project, the amount of such unexpended excess shall be set apart in a separate fund and applied to debt service on the BANs or to redemption of the BANs, unless a supplemental ordinance or resolution, as applicable, is passed by the Mayor and City Council to provide for the expenditure of that excess for some other valid purpose authorized by the Enabling Act, the Bond Anticipation Note Enabling Act, the Charter or other applicable law. Nothing in this Resolution shall be construed to authorize the expenditure of any moneys constituting proceeds of the BANs except for a proper public purpose.

(b) Notwithstanding the foregoing provisions of this Section 12, any portion of the proceeds of the BANs to be applied to pay costs of issuance other than the Underwriter's discount may be paid by the Underwriter directly to the person or entity entitled thereto at the written direction of the Mayor, the City Administrator, the Comptroller or the financial advisor to the City, acting on the City's behalf.

SECTION 13. (a) For the purpose of paying the principal of and interest on the BANs, and for the purpose of permanently financing costs of the Project, the City covenants to issue the Authorized Bonds (including in one or more series from time to time) as soon as the reason for deferring their issuance no longer exists and in any event on or before the maturity date or dates of the BANs, as applicable, in an amount not less than that necessary (together with other funds legally available for the purpose) for the payment of the principal of and interest on the BANs due on the date or dates of maturity or upon prior redemption in whole.

(b) The City covenants with the registered owners of the BANs that the City shall pay the BANs and the interest thereon not paid from other sources out of the first proceeds of the sale of the Authorized Bonds, in anticipation of which the BANs were issued.

(c) If the City shall be unable, for reasons beyond its control, to issue and sell the Authorized Bonds as aforesaid, or if the proceeds of the sale of the Authorized Bonds shall be insufficient to pay the principal of and interest on the BANs when due, then the principal of and interest on the BANs shall be paid from the tax or other revenue that the City has previously determined to apply to the payment of the principal of the Authorized Bonds and the interest thereon. Notwithstanding the foregoing, for the purpose of paying the principal of and interest on the BANs when due, the City shall levy or cause to be levied, for each and every fiscal year during which the BANs may be outstanding, ad valorem taxes upon all real and tangible personal property

within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the prompt payment, when due, of the principal of and interest on the BANs in each such fiscal year. In the event the proceeds from the collection of the taxes so levied may prove inadequate for such purposes in any fiscal year, additional taxes shall be levied in the subsequent fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the prompt payment of the principal of and interest on the BANs as and when the same become due and are payable and to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the BANs. The City hereby covenants with the registered owners of the BANs to take any further action that may be lawfully appropriate from time to time during the period that the BANs remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and interest due thereon. The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on the BANs from the proceeds of the sale of any other obligations of the City or from any other funds legally available for that purpose. The City may apply to the payment of the principal of or interest on the BANs 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, and to the extent of any such funds received or receivable in any fiscal year or otherwise available for such purpose, the taxes hereby required to be levied may be reduced proportionately.

SECTION 14. The Mayor and the City Administrator are hereby authorized and directed to approve, execute and deliver in the name of and on behalf of the City a continuing disclosure undertaking for the benefit of the owners and beneficial owners of the BANs in order to assist the Underwriter in complying with paragraph (b)(5) of Securities and Exchange Commission

Rule 15c2-12 (“Rule 15c2-12”). The City shall covenant in the continuing disclosure undertaking that the City will provide to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) and/or to any additional or different depositories designated in accordance with Rule 15c2-12 (the “Additional Repositories”), if any, annual financial information and operating data and annual audited financial statements. The City shall further covenant in the continuing disclosure undertaking to provide notice of specified events as required by Rule 15c2-12 to EMMA and/or to any Additional Repositories as required by Rule 15c2-12, if any. The continuing disclosure undertaking may provide that the place or places of delivery of such information shall be subject to change in accordance with the rules and pronouncements of the Securities and Exchange Commission or other appropriate authority.

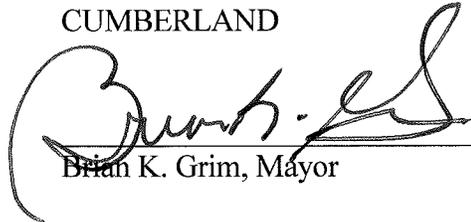
SECTION 15. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated hereby.

[CONTINUED ON FOLLOWING PAGE]

SECTION 16. This Resolution shall become effective immediately upon its adoption; provided that, the BANs may not be sold to the Underwriter or issued in a maximum aggregate principal amount exceeding Two Million Five Hundred Thousand Dollars (\$2,500,000) (but not exceeding Three Million Five Hundred Thousand Dollars (\$3,500,000) until Ordinance No. 3795 becomes effective in accordance with its terms and the terms of the Charter.

MAYOR AND CITY COUNCIL OF
CUMBERLAND

(SEAL)



Brian K. Grim, Mayor

ATTEST:



Marjorie A. Woodring
City Clerk

Introduced: June 7, 2016

Adopted: June 7, 2016

Effective: June 7, 2016

#187699;10002.062

EXHIBIT A
FORM OF BANs

No. R- UNITED STATES OF AMERICA
STATE OF MARYLAND \$ _____
MAYOR AND CITY COUNCIL OF CUMBERLAND
TAXABLE BOND ANTICIPATION NOTE OF 2016

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

Registered Owner:

Principal Sum: DOLLARS

Mayor and City Council of Cumberland, a municipal corporation organized and existing under the Constitution and laws of the State of Maryland and a municipality within the meaning of the Enabling Act and the Bond Anticipation Note Enabling Act referred to herein (the "City"), hereby acknowledges itself indebted for value received and promises to pay to the registered owner shown above, or registered assigns or legal representatives, on the Maturity Date specified above, the Principal Sum shown above, and to pay interest on such Principal Sum from and including the interest payment date next preceding the date of registration and authentication of this bond anticipation note, unless this bond anticipation note is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond anticipation note is registered and authenticated prior to the first interest payment date, in which event this bond anticipation note shall bear interest from the Original Issue Date identified above, or unless, as shown on the records of the Note Registrar and Paying Agent (as hereinafter defined), interest on this bond anticipation note shall be in default, in which event this bond anticipation note shall bear interest from the date on which interest was last paid on this bond anticipation note at the Interest Rate per annum shown above, payable on December 1, 2016 and on each June 1 and December 1 thereafter until the Principal Sum of this bond anticipation note is paid in full. Interest shall be computed on the basis of a 360-day year comprised of 12 30-day months.

Both the principal or redemption of and interest on this bond anticipation note shall be payable in lawful money of the United States of America. The principal or redemption price of this bond anticipation note shall be payable by check or draft at the designated corporate trust office of Manufacturers and Traders Trust Company, as note registrar and paying agent (the "Note Registrar and Paying Agent") in Buffalo, New York or in such other office as the Note Registrar and Paying Agent may designate. Interest on this bond anticipation note shall be payable by check or draft of the Note Registrar and Paying Agent mailed to the registered owner

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

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

This bond anticipation note is the duly authorized note of an issue of the City, aggregating \$ _____ in principal amount, dated _____, 2016 and designated "Mayor and City Council of Cumberland Taxable Bond Anticipation Notes of 2016" (individually, a "BAN" and, collectively, the "BANs"). This bond anticipation note is issued pursuant to and in full conformity with the provisions of Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended, Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended, and Sections 81 and 82A of the Charter of the City of Cumberland, as replaced, supplemented or amended (the "Charter"), and by virtue of due proceedings had and taken by the Mayor and City Council of the City (the "Mayor and City Council"), particularly Ordinance No. 3793, which was passed by the Mayor and City Council on December 15, 2015 and became effective on January 14, 2016, as amended by Ordinance No. 3795, which was passed by the Mayor and City Council on May 17, 2016 and became effective on June 16, 2016 (collectively, the "Ordinance"), and Resolution No. _____, which was adopted by the Mayor and City Council on _____, 2016 and became effective on _____, 2016 (the "Resolution").

The BANs mature and are payable on [June 1, 2019][in the following years and amounts and bear interest at the following rates per annum:

Date Principal Amount Interest Rate Date Principal Amount Interest Rate

]

The BANs shall be subject to redemption prior to maturity at the option of the City, in whole or in part, on June 1, 2017 or on any date thereafter, at a redemption price of 100% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption, without penalty or premium.

If fewer than all of the outstanding BANs shall be called for optional redemption, the City shall choose the maturities to be redeemed and the principal amount of each such maturity in its sole discretion. If fewer than all of the BANs of any one maturity shall be called for optional redemption, the particular Bonds or portions of BANs to be redeemed from such maturity shall be selected by lot by the Note Registrar and Paying Agent. [NOTE: IF BANS ARE ISSUED AS A SINGLE MATURITY, APPROPRIATE EDITS MAY BE MADE TO THE FINAL FORM OF THE BANS]

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

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

presentation, the BANs or portions thereof designated for redemption shall continue to bear interest at the rate stated therein until paid.

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

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

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

The City and the Note Registrar and Paying Agent may deem and treat the party in whose name this bond anticipation note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

This bond anticipation note is initially issued in book-entry only form and registered under a book-entry only system maintained by The Depository Trust Company, New York, New York ("DTC"). Notwithstanding anything to the contrary contained in this bond anticipation note, for so long as this bond anticipation note is registered in book-entry form under a book-entry only system maintained by DTC, any successor thereto, or any replacement securities depository, payments of the principal or redemption price of and interest on this bond anticipation note, the selection of all or any portion of this bond anticipation note to be redeemed, and any notice required herein shall be made or given as provided by the rules and regulations of such securities depository, and all references to the registered owner of this bond anticipation note shall mean such securities depository or its partnership nominee. During such period, the City and the Note Registrar and Paying Agent will recognize such securities depository or its partnership nominee as the owner of this bond anticipation note for all purposes.

The full faith and credit and unlimited taxing power of Mayor and City Council of Cumberland are hereby unconditionally and irrevocably pledged to the payment of the principal of and interest on this bond anticipation note according to its terms, and the City does hereby covenant

and agree to pay punctually the principal of and the interest on this bond anticipation note, at the dates and in the manner mentioned herein, according to the true intent and meaning hereof.

It is hereby certified, recited, and declared by the City: (a) that this bond anticipation note has been authorized for a valid public purpose which the City is empowered by law to undertake and perform; (b) that the City is authorized by law to issue and sell its bonds to provide funds for such public purpose and for the payment of this bond anticipation note and the interest hereon; (c) that the City has, by adoption of the Resolution, covenanted to issue and sell its bonds in an amount at least equal to the outstanding principal amount of this bond anticipation note, and has provided for the payment of this bond anticipation note and the interest hereon not paid from other sources from the proceeds of the sale of such bonds before expenditure of such proceeds on any other project; (d) that, by the adoption of the Resolution, the City has also pledged to the payment of this bond anticipation note and the interest hereon, the proceeds of the taxes or other charges levied or imposed for the payment of such bonds and the interest thereon, until such time as this bond anticipation note and the interest hereon are fully paid; (e) that this bond anticipation note, together with all outstanding indebtedness of the City, is within every debt and other limit prescribed by the Constitution or statutes of the State of Maryland or the Charter; and (f) that all other acts, conditions, and things required to exist, to be done, to have happened, and to be performed precedent to or in the issuance of this bond anticipation note do exist, have been done, have happened, and have been performed in full and strict compliance with the Constitution and statutes of the State of Maryland, the Charter, the Ordinance and the Resolution.

IN WITNESS WHEREOF, Mayor and City Council of Cumberland has caused this bond anticipation note to be executed in its name by the manual or facsimile signature of the Mayor and its corporate seal to be affixed hereto manually or in facsimile, attested by the manual or facsimile signature of the City Clerk, all as of the Original Issue Date set forth above.

(SEAL)

ATTEST:

MAYOR AND CITY COUNCIL OF
CUMBERLAND

City Clerk

By: _____

Mayor

CERTIFICATE OF AUTHENTICATION

This bond anticipation note is one of the registered bond anticipation notes of Mayor and City Council of Cumberland designated "Mayor and City Council of Cumberland Taxable Bond Anticipation Notes of 2016".

as Note Registrar and Paying Agent

By: _____
Authorized Officer

Date of Authentication: _____

(Form of Instrument of Transfer)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,
INCLUDING ZIP CODE OF ASSIGNEE)

the within bond anticipation note and all rights thereunder and does hereby constitute and appoint

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

Dated: _____

Signature Guaranteed:

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

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond anticipation note in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B
FORM OF NOTE PURCHASE AGREEMENT

[See Attached]

§ _____
**MAYOR AND CITY COUNCIL OF CUMBERLAND
TAXABLE BOND ANTICIPATION NOTES OF 2016**

June __, 2016

NOTE PURCHASE AGREEMENT

Mayor and City Council of Cumberland
57 North Liberty Street
Cumberland, Maryland 21502
Attention: Brian K. Grim, Mayor

Ladies and Gentlemen:

M&T Securities, Inc. (the "Underwriter") hereby offers to enter into this Note Purchase Agreement with Mayor and City Council of Cumberland (the "City"). This offer is made subject to acceptance by the City prior to 5:00 P.M., E.D.T., on the date hereof, or at such other time as shall be agreed to by the City and the Underwriter. Upon such acceptance this Note Purchase Agreement shall be in full force and effect and shall be binding upon the City and the Underwriter in accordance with its terms. If this offer is not so accepted and approved, it is subject to withdrawal by the Underwriter upon written notice delivered to the City's offices specified in Paragraph 13 below at any time prior to such acceptance and approval.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Official Statement relating to the above-captioned Notes (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriter hereby agrees to purchase from the City and the City hereby agrees to sell to the Underwriter all (but not less than all) of the City's Mayor and City Council of Cumberland \$_____ Taxable Bond Anticipation Notes of 2016 (the "Notes") at the purchase price set forth below. The Notes will (a) be dated the date of delivery, (b) mature on _____, _____, (c) bear interest from their date at the rate of ___% per annum and (d) be subject to optional redemption prior to maturity as a whole or in part on or after _____, _____, at the option of the City, at a redemption price equal to 100% of the principal amount being redeemed, together with interest accrued to the date fixed for redemption, all as more particularly described in the Official Statement.

The purchase price for the Notes shall be \$_____ (the "Purchase Price"), which is equal to the aggregate principal amount of the Notes (\$_____), less an amount equal to the Underwriter's discount for the Notes of \$_____, plus net original issue premium of \$_____.

The Underwriter agrees to accept and pay for the Notes at the Closing (as defined in Paragraph 6 hereof) in accordance with the provisions of this Note Purchase Agreement. In the event the City does not accept this offer, or upon its failure to deliver the Notes at the Closing, or if it shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Note Purchase Agreement (unless waived by the Underwriter), or if such obligations of the Underwriter shall be terminated for any reason permitted by this Note Purchase Agreement, this Note Purchase Agreement shall terminate and the Underwriter shall have no further obligations or liability. Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the City, but rather the Underwriter is acting solely in its capacity as an Underwriter for its own account.

2. Authority, Security and Description of the Notes. The Notes are issued pursuant to the authority of, as applicable, Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (the “Enabling Act”), Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland (the “Bond Anticipation Note Act”), Sections 81 and 82A of the Charter of the City (the “Charter”), Ordinance No. 3793, passed by the Mayor and City Council of the City (the “Mayor and City Council”) on December 15, 2015 and effective on January 14, 2016 (“Ordinance No. 3793”), as amended and supplemented by Ordinance No. 3795, passed by the Mayor and City Council on May 17, 2016 and effective on June 16, 2016 (“Ordinance No. 3795” and, together with Ordinance No. 3973, the “Ordinance”), and Resolution No. R2016-__, adopted by the Mayor and City Council on June __, 2016 and effective on June __, 2016 (the “Resolution”).

The Notes are general obligations of the City. Pursuant to the Ordinance, the City has authorized the issuance of the general obligation bonds in anticipation of which the Notes are issued, and pursuant to the Bond Anticipation Note Act, the principal of and interest on the Notes are payable from the first proceeds of the sale of such bonds or the tax or other revenue that the City has pledged to the payment of such bonds. Pursuant to the authority of the Bond Anticipation Note Act and the Ordinance, the Notes constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the City to the payment of the maturing principal of and interest on the Notes as when they become payable. The City has covenanted in the Ordinance and the Resolution that for the purpose of paying the principal of and interest on the Notes when due, the City shall levy or cause to be levied, for each and every fiscal year in which any of the Notes are outstanding, upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation, ad valorem taxes in rate and amount sufficient in each such fiscal year to provide for the payment of the principal of and interest on such Notes. The City has further covenanted in the Ordinance and the Resolution that if the proceeds from the taxes so levied in any fiscal year prove inadequate for such purpose, additional taxes shall be levied in the succeeding fiscal year to make up any deficiency.

In the Ordinance and the Resolution, the City has further covenanted to take any further action that may be lawfully appropriate from time to time during the period the Notes remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. The Ordinance and the Resolution also permit the City to apply to the payment of the principal of and interest on the Notes 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 to the extent lawfully available for such purpose, and,

to the extent of any such funds received or receivable in any fiscal year, the taxes required to be levied may be reduced proportionately.

Proceeds from the sale of the Notes will be applied to (a) finance or reimburse on an interim basis costs of a project referred to by the City as the Maryland Avenue Redevelopment Project, which involves the acquisition, demolition and improvement of certain properties in the general vicinity of Maryland Avenue, including costs contracted for by and/or paid through the Cumberland Economic Development Corporation and (b) pay costs of issuance of the Notes

3. Public Offering. The Underwriter agrees to make a bona fide offering of all of the Notes at not more than the initial public offering price or yield as indicated on the cover page of the Official Statement and in Schedule I hereto. Subsequent to such original public offering, the Underwriter reserves the right to change such initial price or yield as it shall deem necessary in connection with the marketing of the Notes. The obligations of the City and the Underwriter hereunder are conditioned upon Funk & Bolton, P.A., as Bond Counsel (“Bond Counsel”), being able to issue its approving legal opinion with respect to the Notes in substantially the form included as Appendix B to the Official Statement.

4. Preliminary Official Statement and Official Statement. The City has previously delivered to the Underwriter for its review, and the Underwriter has reviewed, a Preliminary Official Statement dated June __, 2016 (the “Preliminary Official Statement”), prepared in connection with the offering of the Notes, which has heretofore been “deemed final” as of the dated date thereof by the City for purposes of Securities and Exchange Commission Rule 15c2-12, as amended (“Rule 15c2-12”), except for the omission of such information as is specified in Rule 15c2-12. The Preliminary Official Statement is subject to revision, amendment and completion as permitted by applicable rules and regulations, particularly as to those terms and conditions of the Notes to be determined at a date subsequent to delivery of the Preliminary Official Statement. The Preliminary Official Statement, with only such changes therein as shall have been approved by the Underwriter and the City, including the cover page and all appendices attached thereto, together with such amendments or supplements thereto as are required to be made in accordance herewith and with applicable rules and regulations subsequent to the date hereof, and which is delivered to the Underwriter, complete as of the date of such delivery, is herein called the “Official Statement”.

The City shall provide, or cause to be provided to the Underwriter as soon as practicable after the City’s acceptance of this Note Purchase Agreement (but in no event later than seven (7) business days after the City’s acceptance of this Note Purchase Agreement, or three (3) business days prior to the Closing, whichever comes first, and in sufficient time to accompany any confirmation that requests payment from any customer) printed copies of the Official Statement, executed by the City (and conformed copies thereof) in sufficient quantity to enable the Underwriter to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

The City hereby authorizes the Underwriter, and the Underwriter hereby agrees, to file or cause to be filed the Official Statement with the Municipal Securities Rulemaking Board.

The City hereby consents to the use by and confirms the authority of the Underwriter to use the Official Statement (in printed or electronic form), and any supplements or amendments thereto in connection with the public offering and sale of the Notes and ratifies and confirms its authorization of the use by the Underwriter prior to the date hereof of the Preliminary Official Statement (in printed or electronic form) in connection with such public offering and sale.

5. Covenants and Representations of the City. The City represents and covenants to and with the Underwriter, at the time of its acceptance hereof, and on the date of the Closing, that:

(a) The City is a body politic and corporate and a municipal corporation of the State of Maryland.

(b) By official action of the City, the Ordinance has been duly and lawfully enacted and the Resolution has been duly and lawfully adopted after passage by the Mayor and City Council at meetings that were duly called and at which a quorum was present and acting throughout, and the Ordinance and the Resolution are in full force and effect as of the date hereof, and have not been amended, revoked or rescinded, except to the extent that Ordinance No. 3795 amends and supplements Ordinance No. 3793; and the City has full legal right, power and authority to enter into this Note Purchase Agreement and the Continuing Disclosure Agreement (hereinafter defined), to enact the Ordinance, to adopt the Resolution, and to issue and deliver the Notes as provided herein, in the Official Statement, and in the Ordinance and the Resolution, and each of such instruments, when executed and delivered by the City, will have been duly authorized, executed and delivered by the City, and will constitute legal, valid and binding obligations of the City, enforceable against the City in accordance with their respective terms.

(c) The City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in, the Notes, the Continuing Disclosure Agreement and this Note Purchase Agreement; and the City has duly authorized and approved the performance by the City of its obligations contained in the Ordinance and the Resolution, and the consummation by it of all other transactions contemplated by the Official Statement, the Continuing Disclosure Agreement and this Note Purchase Agreement is, and to the best of the City's knowledge will be, in compliance with the provisions of the Ordinance and the Resolution.

(d) Except as disclosed in the Preliminary Official Statement and the Official Statement, respectively, there shall not have been any material adverse change since June 30, 2015 in the financial condition or operations of the City.

(e) The Preliminary Official Statement has been delivered to the Underwriter and has been "deemed final" as of the dated date thereof by the City for purposes of Rule 15c2-12;

(f) As of June __, 2016 and as of the date hereof, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except as to the statements under the captions “BOOK-ENTRY-ONLY-SYSTEM,” “UNDERWRITING” and “FINANCIAL ADVISOR”, as to which no view is expressed).

(g) As of the date hereof and as of the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except as to the statements under the captions “BOOK-ENTRY-ONLY-SYSTEM,” “UNDERWRITING” and “FINANCIAL ADVISOR”, as to which no view is expressed).

(h) The enactment, adoption or authorization, execution and delivery, as the case may be, of the Ordinance, the Resolution, the Notes, the Continuing Disclosure Agreement, the Official Statement and this Note Purchase Agreement, the compliance with the terms and conditions hereof and thereof, and the consummation of the transactions herein, therein and in the Official Statement contemplated to be performed by the City, do not and will not (i) violate any law or any regulation, order, injunction or decree of any court, governmental body, agency or other public instrumentality to which the City is subject, or (ii) result in or conflict with or constitute a breach of any of the terms and conditions of, or constitute a default under, or, except as contemplated by the Ordinance or the Resolution, result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any assets or property of the City, or any moneys or investments therein pursuant to the terms of any indenture, mortgage, agreement or other instrument to which the City is a party or by which the City or its properties is bound.

(i) Except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation is pending or, to the knowledge of the City, threatened in any court (i) in any way challenging the title of any officials or officers of the City to their respective offices, or (ii) seeking to restrain or enjoin the issuance or delivery of any of the Notes or the imposition of assessments, charges or taxes to pay the principal of, premium, if any, and interest on the Notes, or in any way contesting or affecting the validity of, the authority for, or the execution and delivery of the Notes, any of the Ordinance, the Resolution, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement or this Note Purchase Agreement, or contesting

the powers of the City or any authority for the issuance of the Notes, the enactment of any of the Ordinance or the adoption of the Resolution, or (iii) in which a final adverse decision would materially adversely affect the financial condition or operation of the City or adversely affect the transactions contemplated hereby and by the Continuing Disclosure Agreement and the Official Statement, or (iv) contesting in any way the completeness, accuracy or fairness of the Preliminary Official Statement or the Official Statement.

(j) The City will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the City in cooperation with the Underwriter as the Underwriter may request in order to qualify the Notes for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, provided that the City shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, or execute a special or general consent to service of process in, any other state.

(k) The financial information contained in the Preliminary Official Statement and the Official Statement fairly presents the financial position of the City as of the dates and for the periods therein set forth; and such financial information has been prepared by the Department of Finance of the City or the City's independent public accountant.

(l) The Notes, the Ordinance, the Resolution and the Continuing Disclosure Agreement conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the Notes when authenticated and delivered by the Registrar and Paying Agent, will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding general obligations of the City in conformity with, and entitled to the benefit of, as applicable, the Enabling Act, the Bond Anticipation Note Act, the Charter, the Ordinance and the Resolution.

(m) The City has duly authorized all necessary action on its part for:

(i) the issuance, offering and sale of the Notes upon the terms set forth herein and in the Official Statement;

(ii) the use of the proceeds of the Notes as described in the Official Statement;

(iii) the execution, delivery and acceptance, or the enactment or adoption, as appropriate, of the Notes, the Ordinance, the Resolution, the Official Statement, the Continuing Disclosure Agreement and this Note Purchase Agreement, and the carrying out and consummation of all transactions on its part contemplated hereby and thereby; and

(iv) the taking of any and all such action as may be required by the City to carry out, give effect to and consummate the transactions to which the City is a

party contemplated hereby and by the Official Statement and the Continuing Disclosure Agreement.

(n) All approvals, consents and orders of any governmental authority or agency having jurisdiction in any matter that would constitute a condition precedent to the performance by the City of its obligations hereunder, or under any of the documents or instruments relating to the Notes, and to which it is a party (including, without limitation, the Enabling Act, the Bond Anticipation Note Act, the Charter, the Ordinance, the Resolution, the Continuing Disclosure Agreement and this Note Purchase Agreement), have been obtained and are in full force and effect, except such as may be required under applicable blue sky or securities laws in connection with the offering and sale of the Notes by the Underwriter.

(o) The City will not take or omit to take any action which action or omission would in any way cause the proceeds from the sale of the Notes to be applied other than as provided in the Ordinance, the Resolution and the Official Statement.

(p) This Note Purchase Agreement has been duly authorized, executed and delivered by the City.

(q) The City is not now in default and has not at any time been in default as to principal or interest on any security issued or guaranteed by the City which is payable from the same source of payment as the Notes.

(r) Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed to be a representation by the City to the Underwriter as to the statements made therein.

(s) The City has not been notified of any listing or proposed listing of the City by the Internal Revenue Service as an issuer whose arbitrage certifications may not be relied upon.

(t) Except as described in the Preliminary Official Statement, the City has not failed to comply, in any material respect, with any undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

(u) The executed copies of the Official Statement, when delivered by the City to the Underwriter, will be deemed final by the City as of the date thereof for purposes of Rule 15c2-12.

6. Closing. At 10:00 A.M., E.D.T., on June __, 2016 or at such other time or on such earlier or later date as the parties mutually agree, closing shall occur (herein called the "Closing"), and the City will deliver or cause to be delivered to The Depository Trust Company ("DTC"), in New York, New York, through the "FAST System," the Notes in definitive or book-entry form, duly authenticated and registered in the name of Cede & Co., as registered owner and nominee for DTC, which will act as Securities Depository for the Notes. At the time of Closing,

there will be delivered to the Underwriter at the offices of Funk & Bolton, P.A., Baltimore, Maryland, or at such other place as the parties may mutually agree upon, the other documents hereinafter mentioned; and the Underwriter will confirm delivery of the Notes to DTC and pay the purchase price thereof in immediately available funds to or at the direction of the City to be applied in accordance with the Resolution.

7. Conditions to Obligations of the Underwriter. The Underwriter has entered into this Note Purchase Agreement in reliance upon the representations, warranties and covenants of the City contained herein and the performance by the City of its obligations hereunder both as of the date hereof and as of the date of Closing and upon the accuracy of the statements to be contained in the documents, opinions, and instruments to be delivered at the Closing, as set forth below. Accordingly, the Underwriter's obligation under this Note Purchase Agreement to purchase, accept delivery of, and pay for the Notes is subject to the performance by the City of its obligations hereunder at or prior to the Closing and to the following additional conditions precedent:

(a) Prior to or simultaneously with the mailing of the Preliminary Official Statement, the Underwriter shall receive a certificate from an authorized official or officials of the City to the effect that the Preliminary Official Statement is deemed by the City to be final as of the date thereof for purposes of Rule 15c2-12, except for the omission of no more than the information permitted to be omitted therefrom by paragraph (b)(1) of Rule 15c2-12.

(b) The representations and covenants of the City contained herein shall be true, complete and correct in all material respects at the date hereof and on the date of the Closing.

(c) At the time of the Closing (i) the Ordinance, the Resolution, the Continuing Disclosure Agreement and this Note Purchase Agreement shall be in full force and effect, and shall not have been amended, modified or supplemented (except to the extent that Ordinance No. 3795 amends and supplements Ordinance No. 3793 and except as otherwise may be agreed to in writing by the Underwriter); (ii) the proceeds of the sale of the Notes shall be deposited and applied as described in the Official Statement and the Resolution; (iii) the City shall have duly adopted and there shall be in full force and effect such additional resolutions, ordinances or orders as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and (iv) the City shall perform or have performed all of its obligations required under or specified in this Note Purchase Agreement, the Official Statement, the Ordinance, the Resolution and the Continuing Disclosure Agreement to be performed at or prior to the Closing.

(d) At or prior to the Closing and as a condition to the obligations of the Underwriter under this Note Purchase Agreement, the Underwriter shall receive the following:

(i) two copies of all proceedings of the City (including the Ordinance and the Resolution) pertaining to the issuance and sale of the Notes and the transactions contemplated hereby and by the Official Statement;

(ii) two executed copies each of (A) the Official Statement, (B) this Note Purchase Agreement, (C) the Continuing Disclosure Certificate entered into by the City with respect to the Notes in compliance with Rule 15c2-12 in substantially the form attached hereto as Exhibit B (the “Continuing Disclosure Agreement”), and (D) each other agreement or instrument used in the consummation of the transactions contemplated hereby and by the Official Statement;

(iii) the approving legal opinions of Funk & Bolton, P.A., Bond Counsel, with respect to the Notes, dated the date of the Closing, in substantially the form contained in Appendix B to the Official Statement, together with a letter or letters addressed to the Underwriter and Miles & Stockbridge P.C. stating that the Underwriter and Miles & Stockbridge P.C. may rely upon such opinions as through addressed to them;

(iv) a supplementary opinion of Bond Counsel, dated the date of the Closing and addressed to the City and the Underwriter, in substantially the form attached hereto as Exhibit A and made a part hereof;

(v) A certificate, dated the date of Closing, signed by one or more authorized officers or representatives of the City to the effect that, to his or their knowledge: (i) the representations of the City contained in this Note Purchase Agreement are true as of the date of Closing; and (ii) the City has performed all obligations to be performed hereunder as of the date of Closing;

(vi) an opinion of Miles & Stockbridge P.C., Baltimore, Maryland, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(vii) copies of the blue sky memoranda indicating the jurisdictions in which the Notes may be sold in compliance with the blue sky or securities laws of such jurisdictions; and

(viii) such additional certificates, instruments and other documents as the Underwriter, counsel to the Underwriter or Bond Counsel may reasonably deem necessary to evidence the truth and accuracy as of the date of the Closing of the City’s representations and covenants contained in this Note Purchase Agreement and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City pursuant to this Note Purchase Agreement.

The opinions and certificates and other material referred to above shall be in form and substance satisfactory to the Underwriter and to Miles & Stockbridge P.C., counsel to the Underwriter.

8. Cancellation of Note Purchase Agreement by Underwriter. The Underwriter shall have the right to terminate this Note Purchase Agreement by notification to the City from the Underwriter of the election of the Underwriter to do so if, after the execution hereof and prior to the Closing:

- (a) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and requires an amendment of or supplement to the Official Statement and the effect of which, in the judgment of the Underwriter, would materially adversely affect the market for the Notes or the sale, at the contemplated offering price (or yield), by the Underwriter of the Notes; or
- (b) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Notes is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended; or
- (c) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Notes, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or that the issuance, offering, or sale of obligations of the general character of the Notes, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;
- (d) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement; or
- (e) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional

material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Notes or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of Underwriter or broker-dealers such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement; or

(f) a general banking moratorium shall have been declared by federal or New York or Maryland state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement; or

(g) a downgrading or suspension of any rating (without regard to credit enhancement) by S&P or Fitch of any debt securities issued by the City, or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on “credit watch” or “negative outlook” or any similar qualification) of any rating by S&P or Fitch of any outstanding debt securities issued by the City.

9. Expenses. The City shall pay or cause to be paid the expenses incident to the performance of its obligations hereunder including but not limited to (a) the cost of the preparation and printing or other reproduction of the Ordinance, the Resolution, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement and the other documents mentioned herein; (b) the fees and disbursements of Bond Counsel, the Registrar and Paying Agent, any other experts or consultants retained by the City, including, without limitation, the Financial Advisor to the City, and counsel to the Underwriter; and (c) the cost of preparing and delivering the definitive Notes. The Underwriter shall pay all expenses incurred by it in connection with its public offering and distribution of the Notes (including the cost of the federal funds wire with respect to the payment for the Notes but excluding the fees and disbursements of its counsel).

10. Indemnification and Contribution. The City agrees to indemnify and hold harmless the Underwriter, its directors, officers, employees and agents and each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act (each, an “Indemnified Party”) against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement, the Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, other than material under the headings “BOOK-ENTRY ONLY SYSTEM”, “FINANCIAL ADVISOR” and “UNDERWRITING” and any reoffering information provided by the Underwriter and included in the Official Statement. This indemnity

agreement will be in addition to any liability which the City may otherwise have and shall be subject to the provisions of any applicable law.

Promptly after receipt by an Indemnified Party of notice of the commencement of any action, the City will, if a claim in respect thereof is to be made against the City, notify the City in writing of the commencement thereof; but the failure so to notify the City (i) will not relieve it from liability unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the City of substantial rights and defenses; and (ii) will not, in any event, relieve the City from any obligations to any Indemnified Party other than the indemnification obligation. The City shall be entitled to appoint counsel of its choice at its expense to represent the Indemnified Party in any action for which indemnification is sought provided, however, that such counsel shall be satisfactory to the Indemnified Party. Notwithstanding the City's election to appoint counsel to represent the Indemnified Party in an action, the Indemnified Party shall have the right to employ separate counsel (including local counsel), and the City shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the City to represent the Indemnified Party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Party and the City and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the City; (iii) the City shall not have employed counsel satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action; or (iv) the City shall authorize the Indemnified Party to employ separate counsel at the expense of the City. The City will not, without the prior written consent of the Indemnified Parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action, suit or proceeding.

In the event that the indemnity provided herein is unavailable or insufficient to hold harmless an Indemnified Party for any reason the City and the Underwriter agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) to which the City and the Underwriter may be subject in such proportion as is appropriate to reflect the relative benefits received by the City on the one hand and by the Underwriter on the other from the offering. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the City and the Underwriter shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the City on the one hand and of the Underwriter on the other in connection with the statements or omissions which resulted in such losses, as well as any other relevant equitable considerations. In no case shall the Underwriter be responsible for any amount in excess of the purchase discount or fee applicable to the Notes purchased by the Underwriter hereunder. Benefits received by the City shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriter shall be deemed to be equal to the total purchase discounts and commissions in each case set forth on the cover of the Official Statement.

Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the City on the one hand or the Underwriter on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The City and the Underwriter agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of the Underwriter shall have the same rights to contribution as the Underwriter, and each person who controls the City within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the City shall have the same rights to contribution as the City, subject in each case to the applicable terms and conditions of this paragraph.

11. Amendments or Supplements to the Official Statement. If between the date of this Note Purchase Agreement and the date of the Closing, and for a period of 25 days after the Closing, or any other period as shall be necessary to enable the Underwriter to comply with Rule 15c2-12, any event shall occur or any fact be discovered which would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof. If, in the opinion of the City and the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will prepare an appropriate amendment or supplement thereto, at the sole expense of the City (provided that, if the amendment or supplement amends the material under the heading “UNDERWRITING” or any reoffering information provided by the Underwriter, the costs thereof shall be borne by the Underwriter), in a form and in a manner approved by the Underwriter (and the Underwriter shall file, or cause to be filed, the same with any nationally recognized municipal securities information repositories designated by the Securities and Exchange Commission at which the Official Statement was filed as required in Paragraph 4 hereof and with the Municipal Securities Rulemaking Board), so that the statements and information in the Official Statement, so amended and supplemented will not be, in the light of the circumstances under which they were made, misleading. The City will cooperate with the Underwriter in amending or supplementing the Official Statement in a form and in a manner approved by the Underwriter.

The parties hereto recognize that if it is necessary to supplement or amend the Official Statement, the Closing may be postponed for an appropriate time to allow the Underwriter to determine the effect of such supplement or amendment upon the market price or marketability of the Notes or the Underwriter’s ability to enforce contracts for the sale of the Notes.

12. No Advisory or Fiduciary Role. The City acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Note Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Note Purchase Agreement and (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

13. Notices. Any notice or other communication to be given to the City under this Note Purchase Agreement may be given by delivering the same in writing by (i) certified or registered mail, return receipt requested, first class postage prepaid or (ii) overnight or hand delivery with written confirmation, to Mayor and City Council of Cumberland, 57 North Liberty Street, Cumberland, Maryland, 21502, Attention: City Administrator; and any notice or other communication to be given to the Underwriter under this Note Purchase Agreement may be given by delivering the same in writing to M&T Securities, Inc., 25 South Charles Street, Baltimore, Maryland, 21201, Attention: Greg Brunner, Managing Director.

14. Benefit of Note Purchase Agreement. This Note Purchase Agreement, when accepted by the City in writing as heretofore specified, shall constitute the entire agreement between the City and the Underwriter and is made solely for the benefit of the City and the Underwriter (including any successor in interest of the Underwriter). No other person, including any owners of the Notes, shall acquire or have any right hereunder or by virtue hereof.

15. Survival of Representations, Covenants and Agreements. All representations, covenants and agreements in this Note Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, (b) delivery of and payment for the Notes hereunder, and (c) any termination of this Note Purchase Agreement.

16. Governing Law. This Note Purchase Agreement shall be governed by and construed under the laws of the State of Maryland.

17. Assignment. This Note Purchase Agreement may not be assigned by the City or the Underwriter without the prior written consent of the other party hereto.

18. Counterparts. This Note Purchase Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

19. Headings. The headings of the Paragraphs of this Note Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

If the foregoing is acceptable to you, please sign below and this Note Purchase Agreement will become a binding agreement between us.

Very truly yours,

M&T SECURITIES, INC.

By: _____
Greg Brunner
Managing Director

ACCEPTED AT _____ [A.M./P.M.] ON THE DATE FIRST ABOVE WRITTEN

MAYOR AND CITY COUNCIL OF CUMBERLAND

By: _____
Jeffrey D. Rhodes
City Administrator

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

(Closing Date)

Mayor and City Council of Cumberland
Cumberland, Maryland

M&T Securities, Inc.
Baltimore, Maryland

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by Mayor and City Council of Cumberland, a body politic and corporate and a municipal corporation of the State of Maryland (the "City") of \$_____ Mayor and City Council of Cumberland Taxable Bond Anticipation Notes of 2016 (the "Notes"). The Notes are issued pursuant to the authority of, as applicable, Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (the "Enabling Act"), Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland (the "Bond Anticipation Note Act"), Sections 81 and 82A of the Charter of the City (the "Charter"), Ordinance No. 3793, passed by the Mayor and City Council of the City (the "Mayor and City Council") on December 15, 2015 and effective on January 14, 2016 ("Ordinance No. 3793"), as amended and supplemented by Ordinance No. 3795, passed by the Mayor and City Council on May 17, 2016 and effective on June 16, 2016 ("Ordinance No. 3795" and, together with Ordinance No. 3973, the "Ordinance"), and Resolution No. R2016-__, adopted by the Mayor and City Council on June __, 2016 and effective on June __, 2016 (the "Resolution"). The Ordinance and the Resolution are collectively referred to as the "Authorizing Legislation").

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

Capitalized terms used in this opinion but not defined herein shall have the meanings ascribed to such terms in the Note Purchase Agreement dated June __, 2016 between the City and M&T Securities, Inc., as Underwriter (the "Note Purchase Agreement").

We refer you to the Notes and to the Authorizing Legislation for a description of the purposes for which the Notes are issued, the security for the Notes, the manner in which and times at which the principal of and interest on the Notes are payable, the interest rates payable on the Notes, the provisions under which the Notes may be redeemed prior to their stated maturity, and all other details of the Notes.

As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon the certified proceedings and other certifications of public officials furnished to us.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Further, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, and the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

This opinion letter does not constitute or imply a recommendation of the market or financial value of the Notes or assessment of the strength or appropriateness of the covenants by the City, the possibility of default, the eligibility or suitability of the Notes as an investment, or any other legal or financial aspect of the Notes not expressly addressed herein.

We do not express any opinion herein concerning any law other than the law of the State of Maryland and the federal law of the United States of America.

We have not examined, and express no opinion as to, the existence of or title to real or personal property.

Based upon, and subject to, the foregoing, and on the basis of existing law, it is our opinion, as of the date hereof, that:

(a) The Ordinance has been duly enacted by the Mayor and City Council, has not been amended, revoked or rescinded, except to the extent that Ordinance No. 3795 amends and supplements Ordinance No. 3793, and is in full force and effect.

(b) The Resolution has been duly adopted by the Mayor and City Council, has not been amended, revoked or rescinded, and is in in full force and effect.

(c) The Notes constitute the valid and legally binding general obligations of the City enforceable against the City in accordance with their respective terms.

(d) The Note Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery thereof by the Underwriter, constitutes the legal, valid and binding agreement of the City.

(e) The Continuing Disclosure Certificate of the City dated as of June __, 2016 (the “Continuing Disclosure Agreement”) has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding agreement of the City.

(f) The City has duly approved, authorized and ratified the Preliminary Official Statement dated June __, 2016 relating to the Notes and the use and distribution thereof, and the City has duly approved and executed the Official Statement dated June __, 2016 relating to the Notes and duly approved the use and distribution thereof.

(g) Based upon our participation in the preparation of the Official Statement as Bond Counsel, our discussions and inquiries of the City and its counsel and the examinations which we have made, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has come to our attention which would lead us to believe that the Official Statement as of its date contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, it being understood that in rendering such opinion we are not and shall not express any opinion with respect to financial, operational, numerical and statistical data or material, or expression of opinions or estimates included in the Official Statement.

The information in the Official Statement captioned “INTRODUCTION”, “APPLICATION OF PROCEEDS”, “DESCRIPTION OF THE NOTES”, “TAX MATTERS”, “LEGAL MATTERS” and “CONTINUING DISCLOSURE”, and Appendix B to the Official Statement, has been reviewed by us, and, insofar as such information constitutes conclusions of law, legal opinions or descriptions of legal documents, is a fair and accurate summary.

The rights of any holder of the Notes and the enforceability of the Notes, the Note Purchase Agreement and the Continuing Disclosure Agreement are subject to: (a) the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance; (b) the valid exercise of the constitutional powers of the United States of America and of the sovereign police and taxing powers of the state or other governmental units having jurisdiction; and (c) bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors’ rights, to the extent applicable. Enforceability of indemnification provisions contained in the Note Purchase Agreement may be limited by applicable securities law and public policy.

We express no opinion as to the laws of any jurisdiction other than the laws of the State of Maryland and the federal laws of the United States of America as currently in effect. The opinions expressed above are limited to the matters set forth above, and no opinions should be inferred beyond the matters expressly stated. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

The views expressed herein are solely for the use of the addressees in connection with the consummation of the transactions contemplated by the Official Statement and, without our prior written consent, may not be quoted in whole or in part or otherwise referred to in any legal opinion, document or other report, and may not be furnished to any person or entity, provided that this letter may be included in the transcript of supporting documents in connection with the issuance of the Notes. This letter may not be relied upon by the holders of the Notes or any other person or entity to whom it is not specifically addressed.

This letter is furnished to meet, in part, the requirements of Paragraph 7(d)(iv) of the Note Purchase Agreement, and is furnished solely for your benefit.

Very truly yours,

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by Mayor and City Council of Cumberland (the “City”) in connection with the issuance of its \$_____ Taxable Bond Anticipation Notes of 2016 (the “Taxable Notes”). The City, intending to be legally bound hereby, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the owners and beneficial owners of the Taxable Notes and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The City’s obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

Section 2. Definitions. In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Listed Events**” shall mean any of the events listed in Section 4(a) of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board. To the extent the Rule is amended to refer to any additional or different repositories, references in this Disclosure Certificate to the MSRB shall be deemed to be to such additional or different repositories to the extent required by the Rule. As of the date of execution and delivery of this Disclosure Certificate, any of the notices or materials required by this Disclosure Certificate to be filed with the MSRB shall be filed with the Electronic Municipal Market Access maintained by the MSRB at <http://www.msrb.emma.org> in accordance with the Rule.

“**Participating Underwriter**” shall mean any of the original underwriters of the Taxable Notes required to comply with the Rule in connection with offering of the Taxable Notes.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information. (a) The City shall provide to the MSRB annual financial information and operating data as set forth in Schedule A to this Disclosure Certificate, such information and data to be updated as of the end of the preceding fiscal year, except as indicated on Schedule A, and made available within 275 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2016.

(b) The City shall provide to the MSRB annual audited financial statements of the City, such information to be made available within 275 days after the end of the City’s fiscal year, commencing with the fiscal year ending June 30, 2016 unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the City’s fiscal year (commencing with the fiscal year ending June 30, 2016), the City will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final Official Statement for the Taxable Notes; provided that, the City may modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Certificate pursuant to the provisions of Section 6 hereof. To the extent that changes in generally accepted accounting principles as promulgated to apply to government entities from time to time by the Governmental

Accounting Standards Board (and its successors) are applicable to the presentation of such financial information by the City, the City may utilize such changed principles without being required to amend this Disclosure Certificate in accordance with Section 6 of this Disclosure Certificate.

(d) The City shall provide in a timely manner to the MSRB notice specifying any failure to provide the annual financial information or operating data it has undertaken to provide in accordance with this Section 3.

(e) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City would otherwise be required to provide financial information and operating data pursuant to this Section 3.

(f) The financial information and operating data to be provided pursuant to this Section 3 may be set forth in full in one or more documents or may be incorporated by specific reference to documents available to the public on the MSRB's Internet Website or filed with the Securities and Exchange Commission.

(g) All information provided to the MSRB pursuant to subsections (a), (b), (d) or (e) of this Section 3 shall be in an electronic format as prescribed by the MSRB.

Section 4. Reporting of Listed Events. (a) This Section 4 shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Taxable Notes:

- i) principal and interest payment delinquencies;
- ii) non-payment related defaults, if material;
- iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- v) substitution of credit or liquidity providers, or their failure to perform;
- vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Taxable Notes, or other material events affecting the tax status of the Taxable Notes;
- vii) modifications to rights of Taxable Noteholders, if material;
- viii) Taxable Note calls, if material, and tender offers;
- ix) defeasances;
- x) release, substitution, or sale of property securing repayment of the Taxable Notes, if material;
- xi) rating changes;
- xii) bankruptcy, insolvency, receivership or similar event of the City;
- xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purpose of the event identified in clause (xii) of this Section 4(a), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(b) Notice of any of the Listed Events identified in Section 4(a) shall be given to the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event.

(c) All information provided to the MSRB pursuant to this Section 4 shall be in an electronic format as prescribed by the MSRB.

Section 5. Termination of Reporting Obligations. The City's obligations under this Disclosure Certificate shall terminate upon the payment in full of all of the Taxable Notes either at their maturity or by early redemption. In addition, the City may terminate its obligations under this Disclosure Certificate if and when the City no longer remains an obligated person with respect to the Taxable Notes within the meaning of the Rule.

Section 6. Amendment. This Disclosure Certificate may be amended by the City in its discretion provided that (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City as the obligated person with respect to the Taxable Notes, or type of business conducted; (ii) the Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Taxable Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders of the Taxable Notes, as determined by counsel selected by the City that is experienced in federal securities law matters, or by an approving vote of the holders of 25% of the outstanding aggregate principal amount of the Taxable Notes. The reasons for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the amended operating data or financial information.

Section 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Law of Maryland. This Disclosure Certificate, and any claim made with respect to the performance by the City of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland and, if applicable, the federal law of the United States of America.

Section 9. Limitation of Forum. Any suit or other proceeding seeking redress with regard to any claimed failure by the City to perform its obligations under this Disclosure Certificate must be filed in the Circuit Court for Allegany County, Maryland.

Section 10. Limitation on Remedies. The City shall be given notice at the address set forth below of any claimed failure by the City to perform its obligations under this Disclosure Certificate, and the City shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the City shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the City shall be given to the City Administrator, City Hall, 57 N. Liberty Street, Cumberland, Maryland, 21502 or at such other alternate address as shall be specified by the City with disclosures made pursuant to Section 3(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Notes. This Disclosure Certificate constitutes an undertaking by the City that is independent of the City's obligations with respect to the Taxable Notes; any breach or default by the City under this Disclosure Certificate shall not constitute or give rise to a breach or default under the Taxable Notes.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the owners and beneficial owners from time to time of the Taxable Notes, and shall create no rights in any other person or entity.

Section 13. MSRB Requirements. All documents provided to the MSRB pursuant to this Disclosure Certificate and the Rule shall be accompanied by identifying information as prescribed by the MSRB.

IN WITNESS WHEREOF, this Continuing Disclosure Certificate is being executed by Mayor and City Council of Cumberland as of this _____ day of _____, 2016.

MAYOR AND CITY COUNCIL OF CUMBERLAND

(SEAL)

By: _____
Brian K. Grim
Mayor

By: _____
Jeffrey D. Rhodes
City Administrator

ATTEST:

Marjorie A. Woodring
City Clerk

SCHEDULE A

- (1) Contributions to Employees' Retirement and Pension Systems
- (2) Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance
- (3) General Fund Statement of Approved Budgets and Actual Operations (including the budget information for the then-current fiscal year)
- (4) Assessed value of property and tax rates (in the format of the chart set forth at page __ of the Official Statement dated _____, 2016 relating to the Taxable Notes)
- (5) Property Tax Levies and Collections
- (5) Schedule of Debt Service Requirements and Long-Term Obligations