

**RESOLUTION RATIFYING AND CONFIRMING SALE OF  
THE CITY OF DOVER, DELAWARE  
WATER AND SEWER REVENUE BONDS  
SERIES 2013 AND RELATED MATTERS**

WHEREAS, The City of Dover (the "City") is authorized pursuant to Chapter 111, Volume 52, Laws of Delaware, as amended, and the City Charter, Chapter 158, Volume 36, Laws of Delaware, as amended (the "Enabling Acts") to issue revenue bonds for the purpose of financing and refinancing improvements to its water and sewer system;

WHEREAS, pursuant to the Enabling Acts, the City Council (the "Council") adopted a Resolution on June 24, 2013, which was approved by bondholder consent dated July 25, 2013, with certain exceptions with respect to the Reserve Account as noted therein (the "Bond Resolution"), and pursuant to an Authorizing Resolution adopted by City Council on June 24, 2013 (the "Authorizing Resolution" and, together with the Bond Resolution, the "Resolutions"), the Council authorized the issuance of up to \$6,500,000 of Water and Sewer Revenue Bonds to refinance certain outstanding bonds and to finance certain new water and sewer capital projects;

WHEREAS, the Mayor and Controller/Treasurer with the assistance of Public Financial Management, Inc., as the City's financial advisor, solicited proposals from investment banking firms and other entities that underwrite municipal bonds to act as underwriter for the Series 2013 Bonds pursuant to a Notice of Sale dated August 6, 2013, a copy of which is attached hereto as Exhibit "A." Copies of the bids received pursuant to the Notice of Sale are attached as Exhibit "B." The bid submitted by Robert W. Baird Inc., (the "Underwriter"), offering to purchase the Series 2013 Bonds at a net purchase price of \$6,242,518.07 (reflecting the par amount plus the original issue premium of \$179,034.85 less the underwriter's discount of \$61,516.78) has been selected as the proposal with the lowest true interest cost to the City;

NOW THEREFORE, the Council hereby resolves as follows:

1. Defined Terms. All defined terms used herein, identified by initial capital letters and not otherwise defined herein, shall have the meanings assigned to them in the Bond Resolution.
2. Authorization of Series 2013 Bonds. The City Council hereby ratifies and affirms the actions taken by the Mayor and Controller/Treasurer to cause the issuance of \$6,125,000 aggregate principal amount of bonds to be designated "The City of Dover Water and Sewer Revenue Bonds (Series 2013)" (the "Series 2013 Bonds") and the sale thereof to the Underwriter on the terms and subject to the conditions hereinafter set forth.
3. Purposes. The proceeds from the sale of the Series 2013 Bonds will be used to (i) finance certain water and sewer capital projects, (ii) refund, on a current refunding basis, certain outstanding water and sewer bonds of the City (the "Prior Bonds"), (iii) fund required reserves, if any, and (iv) pay the costs of issuance of the Series 2013 Bonds
4. Pledge of Revenues; Parity Bonds. Pursuant to Section 6 of the Bond Resolution, the City has pledged, and does hereby ratify and confirm said pledge of, the Net Operating Revenue to the payment of the principal of, premium, if any, and interest on, every Bond issued

under the Bond Resolution, including the Series 2013 Bonds, as and to the extent provided in the Bond Resolution. The Series 2013 Bonds will be issued pursuant to Section 2 of the Bond Resolution and will be secured on a parity with the other Bonds issued under the Bond Resolution.

5. Payment and other Terms of Bonds; Form of Bonds.

a. Maturities, Interest Rates. The Series 2013 Bonds shall be issued in denominations of \$5,000 or integral multiples thereof, shall be dated Date of Delivery, and interest will be payable on each January 1 and July 1, commencing January 1, 2014, all as set forth on Schedule 1 appended hereto.

b. Form of Bonds. The Series 2013 Bonds and the form for ordinary registration and transfer to appear thereon are to be substantially in the form attached hereto as Exhibit C with necessary or appropriate variations, omissions and insertions as permitted or required by the Bond Resolution.

6. Optional Redemption Provisions. The Series 2013 Bonds that mature on or before July 1, 2023 are not subject to optional redemption prior to their maturities. The Series 2013 Bonds which mature on or after July 1, 2024 are subject to optional redemption commencing on July 1, 2023, as a whole at any time or in part on any interest payment date, at the option of the City, at par, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Series 2013 Bonds of any one maturity shall be called for redemption, the particular Series 2013 Bonds to be redeemed shall be selected by the Bond Registrar and Paying Agent in such manner as in its discretion it shall determine; provided that, so long as the Series 2013 Bonds are maintained in book-entry form, the selection of individual ownership interests in the Series 2013 Bonds to be credited with such partial redemption shall be made by DTC in accordance with DTC's then existing procedures.

7. Book-Entry Form of Issue. The Series 2013 Bonds shall be issued in book entry form subject to the terms and conditions of the Blanket Letter of Representations to The Depository Trust Company ("DTC") attached as Exhibit D hereto notwithstanding anything to the contrary in the Bond Resolution. DTC and its participants, and the beneficial owners of the Series 2013 Bonds by their acceptance of the Series 2013 Bonds, have agreed that neither the City nor the Trustee (as defined below) shall have any liability for the failure of DTC to perform its obligations as set forth in this Resolution or in the "Rules" or "Procedures" of DTC; nor shall the City or the Trustee be liable for the failure of any participant to perform any obligation the participants may incur to a beneficial owner of any Series 2013 Bond.

8. Trustee, Paying Agent and Registrar. The Bank of New York Mellon is appointed as the Trustee (the "Trustee") and either the Trustee or the City may serve as Paying Agent and Registrar for the Series 2013 Bonds at the direction of the Controller/Treasurer. The initial Paying Agent and Registrar shall be The Bank of New York Mellon.

9. Creation of Funds and Accounts; Deposit of Bond Proceeds.

a. The Trustee shall establish the following funds and accounts with respect

to the Series 2013 Bonds and shall deposit the proceeds of the Series 2013 Bonds into said funds and accounts as follows in the amounts specified in the Official Statement:

- (i) Costs of Issuance Fund. The Trustee shall establish a Costs of Issuance Fund ("COI Fund") and shall deposit therein, from the proceeds of the Series 2013 Bonds, the amount certified by the City as reasonably estimated to pay the costs of issuing the Series 2013 Bonds and other transaction costs relating thereto. Upon written request of the City identifying the payee and the purpose of the payment, the Trustee shall disburse funds from said account to pay for, or reimburse, costs of issuing the Series 2013 Bonds and transaction costs relating thereto. Upon written certification of the City that all costs of issuing the Series 2013 Bonds and related transaction costs have been paid, or duly provided for, any funds remaining in said COI Fund shall be transferred to the Redemption Fund.
- (ii) Reserve Account. The Trustee shall deposit in the Reserve Account an amount sufficient to cause the total Reserve Account to equal the Maximum Annual Debt Service after crediting the amount transferred from the Trustee of the Prior Bonds. The funds in the Reserve Account shall be invested in accordance with the Resolutions at the written direction of the Controller/Treasurer.

b. Construction Fund. The City shall establish a fund called the "Construction Fund - Series 2013 Bonds" and shall deposit therein Series 2013 Bond proceeds to be applied to pay costs of the 2013 Projects.

10. Preliminary Official Statement and Official Statement. The Council hereby ratifies the use of the Preliminary Official Statement dated July 29, 2013, as supplemented by a Supplement dated August 5, 2013, and the final Official Statement, copies of which have been presented to this meeting, and their distribution to prospective purchasers.

The Council hereby ratifies the actions taken by the Mayor and Controller/Treasurer in executing the Official Statement in the name of The City of Dover, supervising its distribution to the Underwriters, to municipal securities information repositories and to potential purchasers and in making changes from the Preliminary Official Statement to the date of delivery to make the information contained therein not contain any untrue statement of a material fact or omit to state a material fact necessary to make any statement therein, in light of the circumstances under which it was made, not misleading.

11. Amendments to Bond Resolution. Council hereby adopts and ratifies the Bond Resolution as consented to by the majority of bondholders as reflected in Appendix D to the Official Statement.

12. Compliance Policies and Procedures. Council hereby adopts the Continuing Disclosure Policy attached herein as Exhibit E to ensure the City efficiently carries out its continuing disclosure obligations pursuant to Rule 15c2-12, as amended, promulgated under the Securities Exchange Act of 1934, as amended.

13. Certain Representations and Covenants of the City. The City hereby represents and covenants with the holders of the Series 2013 Bonds that:

a. this Ratifying Resolution incorporates by reference all the terms of the Bond Resolution;

b. the Bond Resolution, as amended by this Ratifying Resolution, is in full force and effect. Hereafter, the Bond Resolution shall comprise the Bond Resolution as amended by this Ratifying Resolution; and

c. all conditions to be satisfied and all acts and things necessary to be done in order to make this Ratifying Resolution binding on the City have been satisfied or done, as the case may be.

14. Qualified Tax Exempt Series 2013 Bonds. The City hereby designates the Series 2013 Bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986 (to the extent such bonds are not already "deemed designated" for such purposes). The Mayor and Controller/Treasurer are authorized to make such certifications and take all such other action as they deem appropriate to cause the Series 2013 Bonds to be "qualified tax exempt obligations" for such purposes.

15. Future Actions. The Mayor, Controller/Treasurer, Clerk of Council and other City officials are authorized and directed to take all actions necessary to issue the Series 2013 Bonds and carry out the terms and the purposes of this Resolution, including the making of any elections and the filing of any reports with the Internal Revenue Service, and the delivery of necessary closing documents and certificates.

The Clerk of Council shall maintain an official transcript of the proceedings relating to the sale of the Series 2013 Bonds including copies of the Preliminary Official Statement and Official Statement.

16. Effective Date. This Resolution shall be effective immediately upon its adoption according to law.

APPROVED by the Council of The City of  
Dover the 12<sup>th</sup> day of August, 2013.

Traci A. McDowell  
City Clerk  
The City of Dover

APPROVED by the Mayor of The City of  
Dover the 12<sup>th</sup> day of August, 2013.

Carlton E. Curry Jr.

## SCHEDULE 1

### The City of Dover, Delaware Water and Sewer Bonds Series 2013

Maturity Date	Amount	Interest Rate	Yield	Price
7/1/2014	335,000	3.000%	0.400%	102.275
7/1/2015	325,000	3.000%	0.530%	104.608
7/1/2016	330,000	3.000%	0.800%	106.245
7/1/2017	340,000	3.000%	1.150%	106.995
7/1/2018	355,000	3.000%	1.450%	107.272
7/1/2019	360,000	3.000%	1.700%	107.241
7/1/2020	375,000	3.000%	2.080%	105.866
7/1/2021	385,000	3.000%	2.380%	104.428
7/1/2022	395,000	3.000%	2.640%	102.830
7/1/2023	410,000	3.000%	2.800%	101.713
7/1/2024	215,000	3.000%	3.000%	100.000
7/1/2025	220,000	3.125%	3.170%	99.555
7/1/2026	225,000	3.300%	3.350%	99.477
7/1/2027	235,000	3.500%	3.520%	99.779
7/1/2028	245,000	4.000%	3.650%	102.877
7/1/2029	255,000	4.000%	3.850%	101.219
7/1/2030	265,000	4.000%	3.900%	100.809
7/1/2031	275,000	4.000%	4.000%	100.000
7/1/2032	285,000	4.000%	4.100%	98.690
7/1/2033	295,000	4.125%	4.200%	98.991

**EXHIBIT A**  
**NOTICE OF SALE**

See Attached

## NOTICE OF SALE

### **\$6,285,000\* THE CITY OF DOVER, DELAWARE WATER AND SEWER REVENUE BONDS SERIES 2013**

**Dated: August 6, 2013**

**Electronic bids via BIDCOMP/PARITY  
will be received until 10:30 A.M., local Dover, Delaware Prevailing Eastern Time, on  
AUGUST 6, 2013**

Electronic bids via BIDCOMP/PARITY will be received at the offices of the Controller/Treasurer for The City of Dover, Delaware (the "City") for the purchase of the \$6,285,000\* Water and Sewer Revenue Bonds, Series 2013 (the "Series 2013 Bonds"). The Bonds will be dated August 15, 2013, and bear interest payable beginning on January 1, 2014, and semi-annually thereafter on January 1 and July 1 until maturity or redemption.

The Series 2013 Bonds will be issued under the authority of Chapter 111, Volume 52, Laws of Delaware, as amended, and the City Charter, Chapter 158, Volume 36, Laws of Delaware, as amended, and a Bond Resolution, as supplemented, adopted by the City Council on June 24, 2013.

The Series 2013 Bonds will mature, on July 1 in the following years and in the aggregate amounts:

<u>Year</u>	<u>Preliminary Principal Amounts*</u>
2014	\$335,000
2015	\$325,000
2016	\$330,000
2017	\$335,000
2018	\$350,000
2019	\$360,000
2020	\$365,000
2021	\$385,000
2022	\$405,000
2023	\$415,000
2024	\$215,000
2025	\$225,000
2026	\$235,000
2027	\$245,000
2028	\$260,000
2029	\$270,000
2030	\$285,000
2031	\$300,000

2032	\$315,000
2033	\$330,000

\* preliminary, subject to change.

The proceeds from the sale of the Series 2013 Bonds will be used to: (i) finance certain water/wastewater capital projects, (ii) refund, on a current refunding basis, certain outstanding water and sewer bonds of the City, (iii) fund required reserves, if any, and (iv) pay the costs of issuance of the Series 2013 Bonds.

### ***Adjustment of Principal Amortization Schedule***

The principal amounts set forth in this Notice reflect estimates of the City and its Financial Advisor with respect to the likely interest rates of the winning bid and the premium/discount contained in such bid, and various other factors. Such principal amounts also reflect estimates with respect to the sale of the Bonds. The principal amortization schedule may be adjusted by the City prior to any bid date (including by removing part or all of one or more principal maturities, as described below, or by adding principal maturities) and, if any such adjustment is made, bidders must bid on the basis of the adjusted schedule. Such changes, if any, will be communicated by the City through TM3.

After selecting the winning bid, the aggregate principal amount of the Bonds and the principal amortization schedule may be adjusted as determined by the City's Financial Advisor in \$5,000 increments to reflect any premium/discount in the winning bid and to create a more desirable debt service structure for the Bonds and the City's outstanding bonds. Such adjustments shall be made at the sole discretion of the City. Any adjustments pursuant to this paragraph will not change the aggregate principal amount of the Bonds to be issued by more than 10%. The dollar amount bid for the Bonds by the winning bidder will be adjusted proportionately to reflect any changes in the aggregate principal amount and principal amortization schedule of the Bonds finally determined to be issued. Any such adjustment will be communicated to the winning bidder within 4 hours after the opening of the bids.

### ***General Provisions for the Bonds***

The Bonds shall be issued only in fully registered form without coupons. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC. The Bonds will bear interest payable semiannually on January 1 and July 1, commencing January 1, 2014, until maturity or redemption. Interest will be paid to the persons in whose names the Bonds are registered on the registration books maintained by the Bond Registrar on the Regular Record Date, which is the last day of the month



immediately preceding the month in which each such interest payment date occurs, by check mailed to each such person's address as it appears on such bond registration books.

Bonds that mature on or before July 1, 2023 are not subject to optional redemption prior to their maturities. Bonds which mature on or after July 1, 2024 are subject to optional redemption commencing on July 1, 2023, as a whole at any time or in part on any interest payment date, at the option of the City, at par, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar and Paying Agent in such manner as in its discretion it shall determine; provided that, so long as the Bonds are maintained in book-entry form, the selection of individual ownership interests in the Bonds to be credited with such partial redemption shall be made by DTC in accordance with DTC's then existing procedures.

Notice of any redemption, identifying the 2013 Bonds or portions thereof to be redeemed, shall be given not more than 60 nor fewer than 20 days prior to the redemption date, by first class United States mail to the registered owners of the 2013 Bonds to be redeemed at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof shall not affect the validity of any proceedings for the redemption of other 2013 Bonds for which notice shall be duly given. No further interest shall accrue on the principal of any 2013 Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Paying Agent on or prior to the date set for redemption and the holders of such Series 2013 Bonds shall have no rights with respect to such Series 2013 Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Series 2013 Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

The City will not accept and will reject any bid for less than all of the above described Bonds. The City specifically reserves the right to reject any and all bids.

### ***Electronic Bids***

Electronic bids will be received via BIDCOMP/PARITY, in the manner described below, until 10:30 A.M. Dover, Delaware local time, on August 6, 2013.

If any provisions of this Notice of Sale shall conflict with information provided by BIDCOMP/PARITY as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BIDCOMP/PARITY may be obtained from BIDCOMP/PARITY, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Eric Washington, (212) 849-5067. Additional information concerning bidding through BIDCOMP/PARITY may be obtained by calling (212) 849-5067.

Bids may be submitted electronically via BIDCOMP/PARITY pursuant to this Notice until 10:30 A.M., Dover, Delaware local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in BIDCOMP/PARITY conflict with this notice, the terms of this Notice shall control. Further information about BIDCOMP/PARITY may be obtained from [BIDCOMP/PARITY, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Eric Washington, (212) 849-5067. Additional information concerning bidding through BIDCOMP/PARITY may be obtained by calling (212) 849-5067.

### ***Disclaimer***

Each prospective electronic bidder shall be solely responsible to register to bid via BIDCOMP/PARITY as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access BIDCOMP/PARITY for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the City nor BIDCOMP/PARITY, shall have any duty or obligation to provide or assure access to BIDCOMP/PARITY to any prospective bidder, and neither the City nor BIDCOMP/PARITY shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. The City is using BIDCOMP/PARITY as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of BIDCOMP/PARITY to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BIDCOMP/PARITY are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, he should telephone BIDCOMP/PARITY at (212) 849-5021 and notify the City's Controller/Treasurer, Donna Mitchell at (302) 736-7018.

### ***Electronic Bidding Procedures***

Electronic bids must be submitted for the purchase of the Bonds (all or none) via BIDCOMP/PARITY. Bids will be communicated electronically to the City at 10:30 A.M., Dover, Delaware local time, on August 6, 2013. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via BIDCOMP/PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms at the last modification will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via BIDCOMP/PARITY to the City, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BIDCOMP/PARITY shall constitute the official time.

### ***Bid Specifications***

Bidders shall state in their proposals the rate or rates of interest to be paid on the Bonds in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and each proposal

shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the Bonds, but the difference between the highest and lowest rates named may not be greater than three percent (3%) for the Bonds. Bidders may not specify more than one rate of interest for the Bonds of any single maturity. A zero rate may not be named for any maturity. The Bonds will be awarded to the bidder naming the lowest true interest cost for all of the Bonds in any legally acceptable proposal. The lowest true interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid. Where the proposals of two or more bidders result in the same lowest true interest cost for the Bonds, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the City shall have the right to award all of the Bonds to one bidder. The right is reserved to the City to reject any or all proposals and to waive any irregularity or informality in any proposal. The City's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 5:00 P.M. on the sale date. All bids remain firm until an award is made.

Procedures for Sale and Principal Amount Changes: The Preliminary Aggregate Principal Amount of the Bonds and the Preliminary Principal Amount of each maturity of the Bonds as set forth in this Notice of Sale (collectively, the "Preliminary Amounts") may be revised before the receipt and opening of sealed bids for their purchase. The Revised Aggregate Principal Amount of the Bonds and the Revised Principal Amount of each maturity (collectively, the "Revised Amounts") will be published on TM3 News Service ("TM3") not later than 9:30 a.m., Dover, Delaware local time on the date of sale or as soon thereafter as is reasonably practicable. In the event that no revisions are made or that such revisions are not published on TM3 before 9:30 a.m., Dover, Delaware local time on the date of sale, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

### ***Good Faith Deposit***

The apparent successful bidder, as indicated on BIDCOMP/PARITY, must submit a good faith deposit in the amount of \$200,000 (the "Good Faith Deposit") to the City as provided below. The Good Faith Deposit will secure the City from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. The successful bidder shall transfer the Good Faith Deposit by wire transfer directly to the City upon notification of the Preliminary Award, but in any case, no later than 3:00 p.m., Eastern Standard Time, on the Award Date. Wire instructions will be provided to the successful bidder upon notification of the Preliminary Award.

The Formal Award shall not be made until the State has confirmation of receipt of the Good Faith Deposit, and if the successful bidder fails to so deliver the Good Faith Deposit by the designated time, the City will have the option to withdraw the award and the successful bidder shall be responsible to the City for all consequential damages arising from such withdrawal.

At the time of delivery of the Bonds, such security will be applied against the purchase price for the Bonds or will be retained as liquidated damages upon the failure of the successful

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

The Bonds will be issued and sold subject to approval as to legality by Ballard Spahr LLP, Bond Counsel, whose approving opinion substantially in the form included in the Official Statement referred to below will be delivered, upon request, to the purchaser or purchasers of the Bonds, without charge.

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the City will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. A description of this agreement is set forth in the Official Statement and will also be set forth in the Official Statement.

When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the City will authorize an Official Statement, which is expected to be substantially in the form of the Official Statement referred to below. If so requested by the purchaser or purchasers at or before the close of business on the date of the sale, the City will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Official Statement. The successful bidder for the Bonds shall be responsible to the City and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 200 copies of the Official Statement (and any amendments or supplements thereto).

Delivery of the Bonds, without expense, will be made by the City to the purchaser or purchasers on or about August 15, 2013, or as soon as practicable thereafter, in New York, New

York or at such other location as shall be mutually acceptable to the City and the purchasers, and, thereupon, said purchaser or purchasers will be required to accept delivery of the Bonds purchased and pay, in federal funds, the balance of the purchase price due. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of any of the Bonds. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said purchaser or purchasers shall be furnished a certificate or certificates of an authorized member of the City Council, the Mayor and the Controller/Treasurer to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information provided by the purchaser and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the City, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER FOR THE BONDS SHALL FURNISH TO THE CITY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (i) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; AND (ii) A SUBSTANTIAL AMOUNT OF THE BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES.

The successful bidder shall also furnish to the City a certificate consenting to the appointment of The Bank of New York Mellon Trust Company, N.A., as successor trustee as the holder of the majority of the bonds outstanding under the Resolution.

Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder; (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at (or below) the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds; and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

NOTE: The City may revise this Notice of Sale by written notice available to prospective bidders at the place of sale at the time for submission of bids or by publishing notice of any revisions on TM3 News Service ("TM3") at or before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Notice of Sale including any revisions made pursuant to this paragraph.

The City reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be announced by TM3 by notice given not later

than 1:00 p.m., Dover, Delaware local time, on the last business day prior to any announced date for receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date (the "Alternative Sale Date") will be announced via TM3 News Service at least 48 hours prior to such Alternative Sale Date. In addition, the City reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent Alternative Sale Date. If all bids are rejected and an Alternative Sale Date for receipt of bids established, notice of the Alternative Sale Date will be announced via TM3 News Service not less than 48 hours prior to such Alternative Sale Date. On any such Alternative Sale Date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced by TM3 News Service at the time the sale date and time are announced. The Preliminary Official Statement, together with this Notice of Sale and the required form of proposal, may be obtained from the Controller/Treasurer, Donna S. Mitchell, City of Dover, 15 The Plaza Loockerman Street, Dover, Delaware 19903, (302) 736-7019 or from Geoffrey W. Stewart, Public Financial Management, Inc., Two Logan Square, 18th & Arch Streets, Suite 1600, Philadelphia, PA 19103, (215) 567-6100.

Such Preliminary Official Statement is deemed final by the City as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

By order of

CITY COUNCIL OF  
DOVER, DELAWARE

**BIDDERS MUST SUBMIT PROPOSAL FOR THE BONDS  
PROPOSAL FOR  
THE CITY OF DOVER, DELAWARE  
\$6,285,000 WATER AND SEWER REVENUE BONDS  
SERIES 2013  
Bid Date: August 6, 2013**

City Council  
The City of Dover, Delaware  
Weyandt Hall  
5 East Reed Street  
Dover, Delaware 19901

Council Members:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale, which is made a part of this Proposal, we offer to purchase the \$6,285,000\* Water and Sewer Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), described in such Notice of Sale, such Bonds dated August 15, 2013, to mature on July 1 in the several years shown in the table below, and to bear interest at the rate per annum set opposite such years, respectively:

**Series 2013 Bonds**

<u>Year</u>	<u>Preliminary Principal Amounts*</u>
2014	\$335,000
2015	\$325,000
2016	\$330,000
2017	\$335,000
2018	\$350,000
2019	\$360,000
2020	\$365,000
2021	\$385,000
2022	\$405,000
2023	\$415,000
2024	\$215,000
2025	\$225,000
2026	\$235,000
2027	\$245,000
2028	\$260,000
2029	\$270,000
2030	\$285,000
2031	\$300,000
2032	\$315,000
2033	\$330,000

\* Final Maturity.

We will pay an amount equal to the Revised  
Aggregate Principal Amount of the Bonds  
plus a dollar premium in the amount of..... + \_\_\_\_\_

We agree, as a condition precedent to the consideration of our proposal, to provide the City a good faith deposit in the amount of \$200,000 (the "Good Faith Deposit") upon notification of the preliminary bid award (the "Preliminary Award"). We further agree to transfer the Good Faith Deposit directly to the City upon notification of the Preliminary Award, but in any case, no later than 3:00 p.m., Eastern Standard Time, on the Award Date (as defined in the Notice of Sale).

If this proposal is accepted, said good faith deposit is to be held as security for the performance of this proposal, and is to be applied to the purchase price of the bonds when the bonds are delivered and paid for under the terms of this proposal, or is to be retained as and for full liquidated damages in case we fail so to take up and pay for the Bonds.

(NOTE: Not part of proposal. The following information is requested to expedite and facilitate prompt determination of the best bid. The omission or inaccuracy of these figures will not affect the validity of the proposal. The aggregate amount of interest from the date of the bonds to final maturity is \$\_\_\_\_\_. The true interest cost calculated in accordance with the Notice of Sale is \_\_\_\_%.)

WE UNDERSTAND THAT (A) WE ARE TO PROVIDE A CERTIFICATION REGARDING THE PUBLIC SALE OF THE BONDS AS DESCRIBED IN THE NOTICE OF SALE ON OR PRIOR TO THE CLOSING DATE AND (B), IF NOTIFIED THAT WE ARE THE SUCCESSFUL BIDDER FOR THE BONDS, WE WILL BE REQUIRED TO ADVISE THE CITY OF THE INITIAL REOFFERING PRICES (AS DESCRIBED IN THE NOTICE OF SALE) FOR EACH MATURITY OF THE BONDS AT THE TIME OF SUCH NOTIFICATION. In this regard, you may contact and rely on the information provided by \_\_\_\_\_ whose telephone number is \_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_.

\_\_\_\_\_  
Bidder

By: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBT B**

**BIDS RECEIVED**

See Attached

## Bid Results

### Dover \$6,285,000 Water and Sewer Revenue Bonds, Series 2013

The following bids were submitted using **PARITY®** and displayed ranked by lowest TIC.  
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<a href="#">✓ Reoffering</a>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	3.291903
	<a href="#">Janney Montgomery Scott LLC</a>	3.355692
	<a href="#">Piper Jaffray</a>	3.439837
	<a href="#">PNC Capital Markets</a>	3.505153
	<a href="#">M&amp;T Securities Inc.</a>	3.605423

\*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

**EXHIBIT C**

**FORM OF BOND**

See Attached

## FORM OF BOND

R-\_\_\_\_\_

\$\_\_\_\_\_

STATE OF DELAWARE  
THE CITY OF DOVER, DELAWARE  
WATER AND SEWER REVENUE BONDS  
SERIES 2013

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

The City of Dover (herein called the "City"), a municipal corporation in the County of Kent, State of Delaware, for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above, or registered assigns, the Principal Amount identified above on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for in accordance with the hereinafter described Bond Resolution, and to pay (but only out of the sources hereinafter described) interest at the Interest Rate specified above on such Principal Amount from the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the Dated Date, in which event this Bond shall bear interest from the Dated Date, or unless, as shown by the records of The Bank of New York Mellon, as Trustee (the "Trustee"), interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the last date to which interest has been paid, at the rate specified above payable semiannually on January 1 and July 1 of each year commencing on January 1, 2014, until payment in full of such Principal Amount, and to pay interest on overdue principal and, to the extent permitted by law, on overdue interest at the rate specified above. Principal of and interest on this Bond is payable in lawful money of the United States of America at the principal office of the City Treasurer, as Paying Agent, or its successor (the "Paying Agent"); provided, however, that payment of the semiannual interest hereon shall be made to the person in whose name this Bond is registered as of the close of business on the 15th day of the calendar month next preceding each interest payment date by check or draft mailed to such registered owner at such owner's address as it appears on the registration books of the Trustee, as Registrar, or at such other address as is furnished in writing by such registered owner to the Paying Agent.

This Bond is not a general obligation or debt of The City of Dover but is payable solely from the Net Operating Revenue of the Water and Sewer Facilities as provided in the Bond Resolution (as defined below) and the owner hereof has no right to compel the levy of any

tax for the payment of this Bond or the interest to accrue hereon. The City of Dover covenants and agrees with the holder of this Bond that it will keep and perform all of the covenants of this Bond and the Bond Resolution. The City of Dover has pledged the Net Operating Revenue of the Water and Sewer Facilities to the payment of principal and interest on this Bond.

This bond is one of a duly authorized series of revenue bonds of the City, designated "The City of Dover, Water and Sewer Review Bonds Series 2013", in the original aggregate principal amount of \$6,125,000 (the "Series 2013 Bonds") issued pursuant to a Resolution adopted by the City on June 24, 2013, as consented to by a majority of bondholders on July 25, 2013 and as amended by a Ratifying Resolution adopted by the City on August 12, 2013 (the "Bond Resolution"), and an Authorizing Resolution with respect to the issuance of the Series 2013 Bonds adopted by the City Council on June 24, 2013 (the "Authorizing Resolution" and, together with the Bond Resolution, the "Resolutions") to provide funds in order to (i) finance certain water/wastewater capital projects, (ii) refund, on a current refunding basis, certain outstanding water and sewer bonds of the City, (iii) fund required reserves, if any, and (iv) pay the costs of issuance of the Series 2013 Bonds. Reference is hereby made to the Bond Resolution for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Bond Resolution, the collection and disposition of revenues, the funds charged with and pledged to the payment of the interest on and the principal of the Bonds, the nature and extent of the security, the terms and conditions on which the Bonds of each series are or may be issued, the rights, duties and obligations of the City and of the Trustee under the Bond Resolution and the rights of the owners of the Bonds, and, by the acceptance of this bond, the owner hereof assents to all the provisions of the Bond Resolution. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bond Resolution.

Series 2013 Bonds that mature on or before July 1, 2023 are not subject to optional redemption prior to their maturities. Series 2013 Bonds which mature on or after July 1, 2024 are subject to optional redemption commencing on July 1, 2023, as a whole at any time or in part on any interest payment date, at the option of the City, at par, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Series 2013 Bonds of any one maturity shall be called for redemption, the particular Series 2013 Bonds or portions of the Series 2013 Bonds to be redeemed shall be selected by the Bond Registrar and Paying Agent in such manner as in its discretion it shall determine; provided that, so long as the Series 2013 Bonds are maintained in book-entry form, the selection of individual ownership interests in the Series 2013 Bonds to be credited with such partial redemption shall be made by DTC in accordance with DTC's then existing procedures.

Notice of any redemption, identifying the Series 2013 Bonds or portions thereof to be redeemed, shall be given not more than 60 nor fewer than 20 days prior to the redemption date, by first class United States mail to the registered owners of the Series 2013 Bonds to be redeemed at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof shall not affect the validity of any proceedings for the redemption of other 2013 Bonds for which notice shall be duly given. No further interest shall accrue on the principal of any Series 2013 Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Paying Agent on or prior to the date set for redemption and the holders of such Series 2013 Bonds shall

have no rights with respect to such Series 2013 Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Series 2013 Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

This bond is issued and the Bond Resolution was adopted under and pursuant to the Constitution and laws of the State of Delaware, particularly Chapter 111, Volume 52, Laws of Delaware, as amended by Chapter 340, Volume 57, Laws of Delaware, (the "Enabling Act").

Modifications or alterations of the Bond Resolution or of any resolution supplemental thereto may be made to the extent and in the circumstances permitted by the Bond Resolution.

This bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the designated office of the Trustee but only in the manner, and subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new bond or bonds of the same maturity or maturities, interest rate or rates and of an authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefore. The City and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest due on the Series 2013 Bonds and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary. The City and the Trustee are not required (a) to issue, transfer or exchange any Series 2013 Bonds during the period beginning at the opening of business on the 15<sup>th</sup> day of the month preceding any interest payment date and ending at the close of business on the interest payment date, or (b) to transfer or exchange any Series 2013 Bonds selected, called or being called for redemption in whole or in part.

As declared by the Enabling Act, this bond shall be negotiable for all purposes, except as restricted by registration. This bond is issued with the intent that the Laws of the State of Delaware shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Delaware and the ordinances and resolutions of the City to happen, exist and be performed precedent to and in issuance of this bond have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of authentication appended hereto shall have been signed by the Trustee.

IN WITNESS WHEREOF, The City of Dover has caused this bond to bear the manual or facsimile signature of its Mayor and the manual or facsimile signature of its City Clerk, and has caused the City's corporate Seal to be printed or affixed hereon.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

(SEAL)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated therein and issued under the provisions of the within mentioned Resolution.

By: \_\_\_\_\_  
The Bank of New York Mellon, as Trustee

\_\_\_\_\_  
Date of Authentication

By: \_\_\_\_\_  
Authorized Officer



## ASSIGNMENT

For the value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond and does hereby irrevocably constitute \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration of said Bond, with full power of substitution in the premise.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Registered Owner

NOTICE: The signature(s) to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guaranteed program.

**EXHIBIT D**

**BLANKET LETTER OF REPRESENTATIONS  
TO THE DEPOSITORY TRUST COMPANY**

See Attached



Blanket Issuer Letter of Representations  
(To be Completed by Issuer)

Sussex County, Delaware  
(Name of Issuer)

December 20, 1995  
(Date)

Attention: Underwriting Department — Eligibility  
The Depository Trust Company  
55 Water Street, 50th Floor  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Sussex County, Delaware  
(Issuer)

By

Robert L. Stickels

Authorized Officer's Signature

Robert L. Stickels  
County Administrator

302-855-7741

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By

James J. Jones

## SCHEDULE A

### SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to Cede & Co. if less than all of the Securities within an issue are being redeemed. DTC's practice is to determine by less the amount of the interest of each Direct Participant in such issue to be redeemed.<sup>1</sup>

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practice, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered through its Participant to the [Tender/Remitting] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remitting] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

**EXHIBIT E**

**CONTINUING DISCLOSURE POLICY**

See Attached

## **CONTINUING DISCLOSURE POLICY CONCERNING MUNICIPAL SECURITIES**

**Issued or Guaranteed by**

**THE CITY OF DOVER**

### **Introduction**

This Continuing Disclosure Policy (the "Disclosure Policy") is promulgated by adoption of a resolution by City Council on August 12, 2013 to ensure that The City of Dover, Delaware (the "City") efficiently carries out its continuing disclosure obligations with respect to the municipal securities it issues or guarantees, pursuant to Rule 15c2-12, as amended (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended.

### **Definitions**

The definitions set forth herein shall apply to any capitalized term used in this Disclosure Policy unless otherwise defined herein. In addition to such terms and the terms defined above, as used in this Disclosure Policy, the following capitalized terms shall have the following meanings:

"Auditor" means the Auditor of the City.

"Assistant Finance Director" means the Assistant Finance Director of the City or the Acting Assistant Finance Director of the City. If those positions are vacant or eliminated, the Controller/Treasurer of the City shall be responsible for performing the duties of the Assistant Finance Director under this Disclosure Policy.

"CAFR" means the Comprehensive Annual Financial Report annually prepared by the City's Finance Department, which shall include, if prepared, a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flow. All such financial information shall be prepared using generally accepted accounting principles and audited by a certified public accountant; provided, however, that the City may change the accounting principles used for preparation of such financial information so long as the City's Finance Department includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

"City" means The City of Dover, Delaware.

"City Council" means the City Council for The City of Dover.

"City Controller/Treasurer" means the Controller/Treasurer of the City.

"City Solicitor" means the City Solicitor or Acting City Solicitor of the City.

"Disclosure Documents" means the official statements, offering and reoffering circulars and similar disclosure documents prepared by or on behalf of the City in connection with the primary offering of its outstanding Obligations.

"Employee" means any person who, as part of his or her employment with the City, has regular responsibility for the administration of matters related to Obligations.

"EMMA" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org/>.

"Event" means any of the events listed in Schedule 1 of this Disclosure Policy.

“Fiscal Year” means the fiscal year of the City, being the period commencing on July 1 and ending on the following June 30.

“Mayor” means the Mayor of the City.

“MSRB” means the Municipal Securities Rulemaking Board or any other board or entity which succeeds to the functions currently delegated to the Municipal Securities Rulemaking Board by the Rule.

“Obligations” means any municipal securities issued by, or whose payment is guaranteed by, the City. A list of currently outstanding Obligations is set forth in Schedule 2 of this Disclosure Policy.

“Operating Data” means the City’s financial information and operating data disclosed pursuant to the City’s Undertakings and this Disclosure Policy, and which shall consist of the information contained in the City’s CAFR.

“SEC” means the U.S. Securities and Exchange Commission.

“Undertakings” means those written undertakings of the City to file certain annual operating and financial information and notice of the occurrence of certain material events executed in connection with the primary offering of certain Obligations.

#### **Annual Submission of CAFR**

1. Not later than 275 days after the end of each Fiscal Year of the City, while any Obligations remain outstanding, the Assistant Finance Director shall submit or cause the City’s CAFR to be submitted to the MSRB through EMMA.
2. The Assistant Finance Director shall provide copies of the CAFR to the City’s Controller/Treasurer not less than ten (10) days prior to the above deadline for the submission of the CAFR to the MSRB.
3. Not more than five (5) days after the submission of the CAFR to the MSRB, the Assistant Finance Director shall provide to the City Controller/Treasurer written confirmation that the CAFR has been submitted and filed properly with the MSRB through EMMA.
4. In the event that the CAFR is not completed in time to submit the CAFR to the MSRB through EMMA within the time specified in paragraph 1 above, the Assistant Finance Director will file a notice of occurrence of such Event in accordance with the policy and procedures set forth below under “Reporting of Events,” and in accordance with the Rule, and the City’s CAFR shall be submitted as soon as it is available.
5. The CAFR may be provided to the MSRB through EMMA in one document or a set of documents submitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB’s Internet website or filed with the SEC. The Assistant Finance Director shall clearly identify each such other document provided by cross reference.
6. The City’s CAFR shall be prepared in accordance with generally accepted accounting principles as in effect from time to time and operating data and operating information ordinarily disclosed by municipal governments. The CAFR shall be audited by a certified public accountant prior to its submission to the MSRB.
7. The City’s CAFR may be incorporated by reference to other documents, including Disclosure Documents of debt issues with respect to which the City is an “obligated person” (as defined by the Rule), which have been filed with the MSRB through EMMA or the SEC. The Assistant Finance Director shall clearly identify each such other document so incorporated by reference. In the event that the Assistant Finance Director determines to so incorporate by reference the CAFR, the Assistant Finance Director shall also file a notice through EMMA indicating that the City’s CAFR for that year is contained in documents filed with the SEC or with the MSRB through EMMA.



### **Periodic Reporting of Events**

1. The Assistant Finance Director shall file a notice of the occurrence of any Event or Events with the MSRB via EMMA with respect to any Obligations to which the Event or Events are applicable, in a timely manner not in excess of ten (10) business days after the occurrence of the Event. The Assistant Finance Director shall provide notice of such Event to the MSRB through EMMA, as required by the Rule. The Events to be disclosed are listed on Schedule 1 hereof, which the Assistant Finance Director is responsible for updating in a timely manner in the event that there are future changes to the Rule that result in additions, changes or deletions to the list of Events.

2. Not less than three (3) business days after providing notice of an Event to the MSRB, the Assistant Finance Director shall provide a copy of the notice submission filed with the MSRB to the City Solicitor and the City Controller/Treasurer, along with written confirmation that such notice submission was properly filed with the MSRB through EMMA, as required by the Rule.

3. Whenever any Employee obtains actual knowledge of the occurrence of an Event, that employee must inform the Assistant Finance Director and the City Solicitor in writing as soon as possible so that notice of such Event may be filed in accordance with Paragraph 1 of this Section.

### **Manner of Submission**

The CAFR, Operating Data and Event notices required to be submitted to the MSRB pursuant to the Disclosure Policy shall be submitted through EMMA in an electronic format, and shall be accompanied by identifying information, including all relevant CUSIP identification numbers of outstanding Obligations, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule. A description of such format and information as presently prescribed by the MSRB is included in Exhibit A hereto.

### **Disclosure Training for City Employees**

1. The Assistant Finance Director is responsible for conducting annual training of City Employees regarding this Disclosure Policy. Such training shall include a complete review of this Disclosure Policy, the Rule, the Undertakings and the Events listed on Schedule I hereto, and shall include a complete overview of the City's obligations under the federal securities laws. Upon completion of the annual training, all City Employees will provide written certification that they have completed the annual disclosure training and that they have reviewed and understand the Disclosure Policy, the Rule, the Undertakings and the Events listed on Schedule 1 hereto, and that they will comply with the Disclosure Policy.

2. Not later than fourteen (14) business days after the end of each fiscal year of the City, the Assistant Finance Director shall provide annual written certification to the Controller/Treasurer that the annual disclosure training has been completed.

### **Public Statements Regarding Financial Information**

Whenever officials of the City make statements or release information relating to its finances and operations to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Event notices, statements in the CAFR, Operating Data and other reports and statements of the City), the City shall ensure that such statements and information are complete, true, and accurate in all material aspects. The Assistant Finance Director shall have primary responsibility for ensuring that such statements and information are accurate and not misleading in any material aspect. The Mayor, the Assistant Finance Director, the Controller/Treasurer, and the City Solicitor shall work together to ensure that all public statements and information released by the City are accurate and not misleading in all material aspects and that the City complies with all applicable requirements of the Rule regarding continuing disclosure.

**Issuance**

Whenever the City issues its Obligations, preliminary and/or final Disclosure Documents are prepared by or on behalf of the City. Each of these Disclosure Documents contains information relating to the City's finances. The Assistant Finance Director and Controller/Treasurer shall share primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. Each Disclosure Document shall be accompanied by a certification by the Assistant Finance Director that the information contained in the Disclosure Document regarding the City, as of the date of such Disclosure Document, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the Disclosure Document, in light of the circumstances under which it was provided, not misleading.

**Additional Information**

Nothing in this Disclosure Policy shall be deemed to prevent the City from disseminating any other accurate information using the means of dissemination set forth in this Disclosure Policy or any other means of communication.

**Filing on EMMA**

A copy of the current Disclosure Policy shall be filed on EMMA. If the Disclosure Policy is amended, such amendments will be filed on EMMA as soon as practicable after such amendments take effect. A current copy of the Disclosure Policy and any amendments will also be made publicly available on the City's web site.

**Schedule 1 to the Disclosure Policy**  
**List of Events**

The SEC requires notification of the occurrence of any of the Events listed as (1) through (14) below with respect to any applicable obligation. Notification must be provided in a timely manner, but not more than ten (10) business days after its occurrence.

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. 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 obligations, or other material events affecting the tax status of the obligations;
7. Modifications to rights of the holders of the obligations, if material;
8. Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property, if any, securing repayment of the obligations, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the School;
13. 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
14. Appointment of a successor trustee or the change of name of a trustee, if material.

**Schedule 2 to the Disclosure Policy**

**List of Outstanding City of Dover Obligations and Undertakings**

\$750,000 Water and Sewer Revenue Bonds (Series 2000-SRF)

\$7,980,000 Water and Sewer Revenue Bonds (Series 2003)  
Continuing Disclosure Agreement dated April 14, 2003

\$3,430,000 General Obligation Bonds (Series 2003)

\$22,200,000 Electric Revenue Bonds (Series 2008)  
Continuing Disclosure Agreement dated July 15, 2008

\$5,942,481 Water and Sewer Revenue Bonds (Series 2009-SRF)

\$2,404,017 Water and Sewer Revenue Bonds (Series 2010-SRF)

\$8,810,000 Electric Revenue Bonds (Series 2010)  
Continuing Disclosure Agreement dated November 17, 2010

\$765,060 Water and Sewer Revenue Bonds (Series 2011-SRF)

\$4,700,000 General Obligation Bonds (Series 2012)

\$6,125,000 Water and Sewer Revenue Bonds (Series 2013)  
Continuing Disclosure Agreement dated August 15, 2013

## **EXHIBIT A**

### **MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION**

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, date, maturity date and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, as of January 1, 2010, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at [www.emma.msrb.org](http://www.emma.msrb.org).