

COUNCIL OF THE CITY OF ABERDEEN
Resolution No. 17-R-02

Date Introduced: **March 13, 2017**

Sponsored by: **Mayor Patrick L. McGrady**

Amendments Adopted:

Date Adopted: **March 13, 2017**

Date Effective: **March 13, 2017**

RESOLUTION NO. 17-R-02

TERMS OF M & T BANK SEWER NOTE

1 A Resolution of the Mayor and City Council of Aberdeen (the “City”) with respect to the
2 issuance of One Million Three Hundred Ninety-Five Thousand One Hundred Seventy-Eight
3 Dollars (\$1,395,178.00) principal amount of City of Aberdeen Sewer Note (the “Sewer Note”),
4 fixing the interest rate on the Sewer Note so authorized and awarding the Sewer Note to
5 Manufacturers and Traders Trust Company; pursuant to Ordinance No. 17-O-04 enacted by the
6 Mayor and City Council of the City on February 13, 2017 (the “Sewer Note Ordinance”) and
7 Emergency Ordinance No. 17-O-02 enacted by the Mayor and City Council of the City on January
8 9, 2017 (the “Emergency Ordinance”) authorizing the Mayor, the Director of Finance and the
9 Director of Administration to execute any and all documents necessary or appropriate with respect
10 to the Sewer Note, including the Continuing Disclosure Agreement with respect to the Sewer Note;
11 and affirming that the full faith and credit and unlimited taxing power of the Mayor and City
12 Council of Aberdeen are pledged to the payment of the principal, premium, if any, and interest on
13 the Sewer Note.

WHEREAS, pursuant to the Emergency Ordinance, the Mayor and City Council, subject to enactment of the Sewer Note Ordinance, approved the proposal of Manufacturers and Traders Trust Company to purchase the Sewer Note at an interest rate to be established pursuant to the provisions of the Commitment Letter of Manufacturers and Traders Trust Company dated December 21, 2016; and

WHEREAS, pursuant to the Sewer Note Ordinance enacted by the Mayor and City Council of Aberdeen on February 13, 2017, effective twenty days thereafter, the Sewer Note was authorized to be issued and sold to Manufacturers and Traders Trust Company at private sale, without further advertisement or further competitive bidding; and

WHEREAS, the Mayor and City Council have adopted this Resolution as provided in the Sewer Note Ordinance to confirm the interest rate on the Sewer Note and to provide for the execution and delivery of the Sewer Note.

NOW, THEREFORE, in accordance with the provisions of the Charter, the City Code and the laws of the State of Maryland, be it resolved by the Mayor and City Council of Aberdeen:

Section 1. That the Mayor and City Council of Aberdeen (the “City”) hereby authorizes and approves the incurring of debt for the purpose of financing a portion of the capital cost of certain projects as provided in the Sewer Note Ordinance and as set forth in Exhibit A attached hereto.

Section 2. That the form of Sewer Note by which the debt authorized herein shall be evidenced is attached hereto as Exhibit B with such changes as may be deemed appropriate by the Mayor.

Section 3. That the rate of interest shall be as provided in the Commitment Letter of Manufacturers and Traders Trust Company dated December 21, 2016 shall be two and twelve hundredths percent (2.12%) per annum.

Section 4. That the financing shall be accomplished by private negotiated sale with Manufacturers and Traders Trust Company.

Section 5. That the Sewer Note shall mature in five (5) years and be subject to redemption and pre-payment penalties as provided in the form of Sewer Note attached hereto as Exhibit B.

Section 6. That the Sewer Note shall be known as "City of Aberdeen Sewer Note, Series 2017."

Section 7. That the Mayor, the City Manager, the Director of Finance, the City Attorney and the City Clerk, or any of them, are authorized and directed to take the following actions on behalf of the City:

- a. To execute, acknowledge, seal and deliver the Sewer Note;
- b. To execute, acknowledge, seal and deliver such other and further certifications and documents, including a tax certificate and compliance agreement and U.S. Treasury Form 8038-G, as may be necessary or appropriate; and
- c. To consummate the transactions contemplated in the Sewer Note Ordinance.

Section 8. That the funds for payment of the principal, premium and interest on the Sewer Note shall be provided by funds related to operation of the water and sewer system of the City and if such funds are insufficient to pay the principal, premium and interest on the Sewer Note, and as long as the indebtedness represented by the Sewer Note is outstanding, the City covenants and agrees with the holder of the Sewer Note that it shall promptly cause to be levied against all assessable property within the City annually so long as the Sewer Note is outstanding an ad valorem tax sufficient in rate and amount to provide for payment of the principal, premium, if any, and interest on the Sewer Note. The ad valorem tax shall be levied in accordance with the Charter of the City. The City, by the adoption of this Resolution, hereby covenants and agrees properly and

promptly to perform all of the respective acts and duties defined in the Charter of the City for the levy and collection of the aforesaid ad valorem tax upon all assessable property within the corporate limits of the City, as the levy and collection of such a tax becomes necessary in order to provide for the payment of principal, premium, if any, and interest on the Sewer Note.

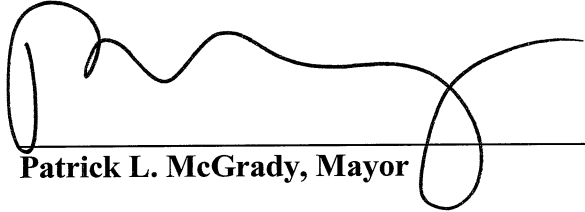
Section 9. That in no event may the aggregate indebtedness incurred pursuant to this Resolution exceed \$1,395,178.00, and the Sewer Note shall mature over a period not to exceed five (5) years from the date of the Sewer Note beginning in the year 2017 and ending in the year 2022. The principal of and interest on the Sewer Note shall be paid quarterly beginning ninety (90) days from the date of issue.

Section 10. That the Sewer Note may be prepaid, in whole or in part, by the City at any time; provided that; however, in the event any part of the Sewer Note principal is prepaid within eighteen (18) months from the date of issue, the payment shall be accompanied by a prepayment redemption charge of one percent (1%) of the principal amount prepaid. The Sewer Note may, upon ten (10) days written notice, be prepaid, in whole or in part, at any time after eighteen (18) months after the date of the Sewer Note without prepayment redemption fee or penalty.

Section 11. That the Sewer Note shall be a Qualified Tax Exempt Obligation issued by the Mayor and City Counsel of Aberdeen pursuant to Section 265 of the Internal Revenue Code of 1986, and the Director of Finance of the City is authorized to execute a Tax Certificate and Compliance Agreement describing the Sewer Note as a Qualified Tax Exempt Obligation.


Section 12. That this Resolution shall take effect immediately upon adoption by the Mayor and City Council of Aberdeen.

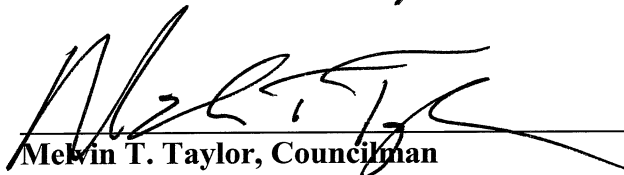
COUNCIL OF THE CITY OF ABERDEEN


Patrick L. McGrady, Mayor


Steven E. Goodin, Councilman


Sandra J. Landbeck, Councilwoman


Timothy W. Lindecamp, Councilman


Melvin T. Taylor, Councilman

ATTEST:

SEAL:


Monica A. Correll, City Clerk

Date: March 13, 2017

ADOPTED: March 13, 2017



EXHIBIT A

81		
82		
83	Edmund and Wynmar Manhole Replacement (Contract)	85,000.00
84	Upgrade James St. Interceptor (Contract)	580,000.00
85	WWTP Raw Influent Screen Replacement (Design)	134,600.00
86	Jet Truck	448,685.00
87	Wheel Loader	146,893.00
88		

EXHIBIT B

Form of Note

**UNITED STATES OF AMERICA
ABERDEEN, MARYLAND
CITY OF ABERDEEN
SEWER NOTE, SERIES 2017**

<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>
2.12%	March 15, 2017	March 15, 2022

Registered Owner: Manufacturers and Traders Trust Company

Principal Sum: One Million Three Hundred Ninety-Five Thousand One Hundred Seventy-Eight Dollars (\$1,395,178.00)

CITY OF ABERDEEN, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "City"), hereby acknowledges itself indebted and, for value received, promises to pay to the Registered Owner of this Note as set forth above, or registered assignee, the Principal Sum shown hereon in quarterly installments beginning 90 days from the date of this Note (or earlier as provided herein) upon presentation and surrender of this Note and to pay interest thereon at the rate of 2.12% per annum, from the interest payment date next preceding the date of registration and authentication of this Note, unless this 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 Note is registered and authenticated prior to March 15, 2017, in which event this Note shall bear interest from March 15, 2017 unless, as shown by the records of the Note Registrar (herein defined) interest on this Note shall be in default, in which event this Note shall bear interest from the date on which interest was last paid on this note at the Interest Rate per annum shown hereon until payment of said principal, such interest to the maturity hereof being payable in quarterly installments beginning 90 days from the date of this Note by check or draft of the Paying Agent hereinafter described mailed to the registered owners thereof as interest becomes due and payable.

Both the principal of and interest and premium, if any, on this Note shall be paid in lawful money of the United States of America, at the time of payment. Payment of the principal of and premium, if any, and interest on this Note shall be made upon presentation and surrender hereof at the principal office of the Director of Finance of the City ("Paying Agent") in nineteen (19) equal payments in the amount of \$73,768.67 each beginning June 15, 2017 and ending on December 15, 2021, with a final payment of \$73,768.64 on March 15, 2022. Payment shall be made by the Paying Agent to the person appearing on the registration books of the City maintained by the Note Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his or her address as it appears on such registration books.

This Note shall be registered as to principal and interest in the name of the owner on the registration books kept for that purpose at the principal office of the Director of Finance of the City ("Note Registrar"), and such registration shall be noted on the back of this Note, after which no transfer hereof shall be valid unless made on the said registration books by the registered owner hereof in person or by his duly authorized attorney, and similarly noted on this Note. The City, Note Registrar and Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for all purposes. This Note, upon surrender hereof at the principal office of the Note Registrar with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the registered owner hereof or his duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of Notes (hereinafter defined) of authorized denominations and of the same form and tenor as this Note. For every such exchange or transfer of Notes, the City or the Note Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer as a condition precedent to the exercise of such privilege. The Note Registrar shall not be obligated to make any such exchange or transfer of Notes during the 15 days next preceding an interest payment date on the Notes, or in case of any proposed redemption of the Notes, during the 15 days next preceding the date of the publication of notice of such redemption. The Note Registrar shall not be required to make any transfer or exchange of any Notes called for redemption.

The Note is in the aggregate amount of One Million Three Hundred Ninety-Five Thousand One Hundred Seventy-Eight Dollars (\$1,395,178.00) principal amount, and dated as of March 15, 2017 and known as "City of Aberdeen Sewer Note, Series 2017" (the "Note"). The Note shall be issued as fully registered notes without coupons in the principal amount of \$1,395,178 or any other amount thereof. The Note matures serially in quarterly installments on the 15th days of June, September, December and March in each of the years 2017 to 2022. The Note is issued pursuant to and in full conformity with the provisions of the Charter of the City of Aberdeen, as amended, and by virtue of due proceedings had and taken by the City Council on Aberdeen, particularly an Emergency Ordinance No. 17-O-2 enacted on January 9, 2017, an Ordinance enacted on February 13, 2017, entitled Ordinance No. 17-O-04 and a Resolution adopted on March 13, 2017.

This Note may be prepaid and redeemed by the City, in whole or in part, at any time and from time to time, upon ten (10) days written notice to the Registered Owner. Any prepayment of the principal of this Note, on or before September 16, 2018, shall require a prepayment redemption charge of one percent (1%) of the principal amount prepaid. This Note may, upon ten (10) days written notice, be prepaid, in whole or in part at any time after September 16, 2018 without prepayment or redemption fee or penalty.

The full faith and credit and unlimited taxing power of the City is pledged to the punctual payment of the principal of and interest on this Note according to its terms, and the City covenants and agrees punctually to pay the principal of this Note and the interest thereon, at the dates and in the manner mentioned herein.

No covenant or agreement contained in this Note shall be deemed to be a covenant or agreement of any officer, agent or employee of the City in his or her individual capacity, and neither the members of the City Council of the City of Aberdeen nor any official executing this Note shall be personally liable or be subject to any personal liability or accountability by reason of the issuance of this Note.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this Note, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter of the City of Aberdeen and the Ordinance and Resolution above referred to, and that the issue of notes of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of said State and the Charter of the City of Aberdeen, and that due provision has been made for the levy and collection, if and when necessary, of an annual *ad valorem* tax or taxes upon all the legally assessable property within the corporate limits of the City, as prescribed by law, in rate and amount sufficient to provide for the payment, when due, of the interest on and the principal of this Note.

In any case where any date of payment of principal of, premium (if any), or interest on this Note, or the date fixed for any redemption of this Note, shall be a Saturday, Sunday or legal holiday observed by the City, then payment of such principal, premium (if any), or interest need not be made on such date but may be made on this next succeeding day which is not a Saturday, Sunday or legal holiday observed by the City with the same force and effect as if made on the date of payment or the date fixed for redemption.

This Note shall not be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Note Registrar, or its successor as Note Registrar, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF the City of Aberdeen, has caused this Note to be executed in its name by the facsimile signature of the Mayor, which signature has been imprinted hereon, and has also caused a facsimile of its corporate seal to be imprinted hereon, attested by the facsimile signature of the Clerk, all as of the 15th day of March, 2017.

Attest:

Monica A. Correll, City Clerk

CITY OF ABERDEEN

By: _____
Patrick L. McGrady, Mayor

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This Note is one of the registered notes of City of Aberdeen
Sewer Note, Series 2017

Director of Finance, City of Aberdeen

By: _____
Note Registrar

[Form of Registration]

(No writing hereon except by an officer of _____, Baltimore, Maryland, Note Registrar).

<u>Date of Registry</u>	<u>Name of Registered Holder</u>	<u>Registered By</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

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

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____) the within note, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within note in every particular, without alteration or enlargement or any change whatever.

[Form of Certification of Legal Opinion
to appear on panel to left of Filing Back]

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete approving legal opinion of Royston, Mueller, McLean & Reid, LLP, Towson, Maryland, with respect to the issue of notes, of which this note is one, that the original of said opinion was manually executed, dated and issued as of the date of delivery of, and payment for, said issue of Notes and that an executed copy thereof is on file with the Paying Agent.

(Here insert text of legal opinion
relating to this issue of notes.)