

COUNCIL OF THE CITY OF ABERDEEN
Ordinance No. 16-O-11

Introduced By:	Mayor Patrick M. McGrady
Date Introduced:	April 11, 2016
Public Hearing:	April 25, 2016
Amendment Adopted:	
Date Adopted:	April 25, 2016
Date Effective:	May 16, 2016

ORDINANCE NO. 16-O-11
AUTHORIZATION FOR REFUNDING OF DEBT

AN ORDINANCE TO AUTHORIZE AND EMPOWER THE CITY OF ABERDEEN, A MUNICIPAL CORPORATION OF THE STATE OF MARYLAND (THE "CITY"), TO BORROW UPON THE FULL FAITH AND CREDIT, AND TO ISSUE AND SELL ITS BONDS OR OTHER FORM OF INDEBTEDNESS THEREFORE, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000), TO BE DESIGNATED AS "CITY OF ABERDEEN REFUNDING BONDS, SERIES 2016" (THE "REFUNDING BONDS"), THE PROCEEDS THEREOF TO BE USED FOR THE PURPOSE OF REFUNDING:

(A) SUCH AMOUNTS OF THE CITY'S INFRASTRUCTURE BOND, 2004 SERIES AND SUCH AMOUNTS TO BE REFUNDED (THE "OUTSTANDING 2004 INFRASTRUCTURE BOND");

(B) SUCH AMOUNTS OF THE CITY'S GENERAL OBLIGATION NOTE, 2005 SERIES AND SUCH AMOUNTS TO BE REFUNDED (THE "OUTSTANDING 2005 GENERAL OBLIGATION NOTE");

(C) SUCH AMOUNTS OF THE CITY'S INFRASTRUCTURE BOND, SERIES 2007 SERIES B AND SUCH AMOUNTS TO BE REFUNDED (THE "OUTSTANDING 2007B INFRASTRUCTURE BOND");

(D) THE OUTSTANDING 2004 INFRASTRUCTURE BOND, THE OUTSTANDING 2005 GENERAL OBLIGATION NOTE AND THE OUTSTANDING 2007B INFRASTRUCTURE BOND (COLLECTIVELY, THE "CITY BONDS SUBJECT TO REFUNDING").

THE MATURITIES OF THE CITY'S BONDS SUBJECT TO REFUNDING MAY BE DETERMINED BY EXECUTIVE ORDER OF THE MAYOR OF THE CITY OR AN ADMINISTRATIVE RESOLUTION OF THE CITY COUNCIL OF ABERDEEN ALL IN ACCORDANCE WITH ARTICLE 23A OF THE ANNOTATED CODE OF MARYLAND, AS

1 AMENDED, THE CHARTER OF THE MAYOR AND CITY COUNCIL OF ABERDEEN,
2 AND SECTION 19-207 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED
3 CODE OF MARYLAND, AS AMENDED, OR AS OTHERWISE PERMITTED BY LAW;
4 PROVIDING THAT THE PROCEEDS OF THE REFUNDING BONDS SHALL BE USED TO
5 MAKE PAYMENT UPON ALL SUCH CITY BONDS SUBJECT TO REFUNDING
6 INCLUDING FOR EACH SUCH ISSUE, WITHOUT LIMITATION, THE PAYMENT OF
7 ANY REDEMPTION PREMIUM, ANY INTEREST ACCRUED OR TO ACCRUE TO THE
8 DATE OF REDEMPTION AND THE COSTS OF ISSUING THE REFUNDING BONDS;
9 PRESCRIBING CERTAIN DETAIL INCIDENT TO THE ISSUANCE AND SALE OF SUCH
10 REFUNDING BONDS AND AUTHORIZING THE MAYOR OF ABERDEEN BY
11 EXECUTIVE ORDER TO PROVIDE FOR ADDITIONAL DETAILS INCIDENT THERETO,
12 INCLUDING, BUT NOT LIMITED TO, SPECIFYING THE MATURITIES OF THE
13 OUTSTANDING ISSUES OF THE CITY'S BONDS AND OTHERWISE GENERALLY
14 RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF ANY SUCH
15 CITY BONDS SUBJECT TO REFUNDING; PROVIDING THAT SUCH INDEBTEDNESS
16 SHALL BE ISSUED UPON THE FULL FAITH AND CREDIT OF THE MAYOR AND CITY
17 COUNCIL OF ABERDEEN; PROVIDING FOR DISBURSEMENT OF THE PROCEEDS OF
18 THE SALE OF THE REFUNDING BONDS AND FOR THE LEVYING OF CHARGES,
19 ASSESSMENTS AND ALL TAXES NECESSARY TO PROVIDE PAYMENT OF THE
20 PRINCIPAL OF AND INTEREST THEREON; PROVIDING THAT CERTAIN ADDITIONAL
21 MATTERS MAY BE DETERMINED BY EXECUTIVE ORDER OF THE MAYOR OF THE
22 CITY, INCLUDING BUT NOT LIMITED TO, AMENDMENTS OR CHANGES TO THE
23 FORM OF THE REFUNDING BONDS AS APPROVED BY THIS ORDINANCE, THE
24 FORM OF VARIOUS DOCUMENTS AS ARE NECESSARY TO IMPLEMENT THE
25 FINANCING AUTHORIZED HEREIN, THE MANNER OF ISSUANCE AND DELIVERY OF
26 THE REFUNDING BONDS, AND THE PAYMENT OF ALL NECESSARY EXPENSES IN
27 CONNECTION THEREWITH, THE RATE OR RATES OF INTEREST TO BE PAID,
28 MATURITY SCHEDULE, REDEMPTION PROVISIONS AND GENERALLY FOR SUCH
29 OTHER MATTERS AS MAY BE DEEMED APPROPRIATE BY THE MAYOR AND CITY
30 COUNCIL OF ABERDEEN IN CONNECTION THEREWITH; PROVIDING FOR THE
31 PUBLIC SALE AND SOLICITATION OF BIDS PURSUANT TO A NOTICE OF SALE,
32 APPROVED BY EXECUTIVE ORDER OF THE MAYOR OF ABERDEEN, OR, IF
33 ADVISED BY THE CITY'S FINANCIAL ADVISOR, THE PRIVATE (NEGOTIATED) SALE
34 OF THE REFUNDING BONDS, OR ANY PORTION THEREOF, FOLLOWING A
35 SOLICITATION OF OFFERS FOR THE PURCHASE OF THE REFUNDING BONDS;
36 PROVIDING THAT THE REFUNDING BONDS SHALL BE ISSUED UPON THE FULL
37 FAITH AND CREDIT OF THE MAYOR AND CITY COUNCIL OF ABERDEEN;
38 GENERALLY PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN
39 CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE REFUNDING
40 BONDS.

RECITALS

WHEREAS, the City of Aberdeen, a municipal corporation of the State of Maryland (the “City”), has heretofore issued its (a) Outstanding 2004 Infrastructure Bond; (b) Outstanding 2005 General Obligation Note; and (c) Outstanding 2007B Infrastructure Bond; and together such other bonds of the City that may be refunded by virtue of the authority of this Ordinance as specifically provided in a Resolution adopted by the City Council of Aberdeen (the “Outstanding Bonds”).

WHEREAS, the public purposes for which the proceeds of the Outstanding Bonds were authorized to be spent, the amounts (or maximum amounts) authorized to be spent for each such public purpose are specified in (or incorporated by reference into) the Bond Issue Authorization Resolution for each such series specified in Exhibit A, (the “Bond Resolutions”). All terms defined in Exhibit A shall have the meanings given such terms therein and Exhibit A is incorporated herein by reference and made a part hereof; and

WHEREAS, Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (2015 Repl. Vol.) (the “Refunding Act”), provides that a municipal corporation which has power under any public general or public local law to borrow money and to evidence the borrowing by the issuance of its general obligation bonds, revenue bonds or other evidences of obligation by whatever name known or source of funds secured, may issue bonds for the purpose or refunding any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of the bonds or other obligations; and

WHEREAS, the City is authorized to borrow money and to evidence the borrowing by the issuance of its general obligation bonds by Article X – E of the Constitution of Maryland, as

1 amended, Local Government Article, Sections 19-302 through 19-306, inclusive, of the
2 Annotated Code of Maryland, Article V, Section 14(k) and Article VIII, Section 18 of the
3 Charter of the City of Aberdeen (the “Charter”); and

4 WHEREAS, refunding bonds may be issued under the authority of the Refunding Act for
5 the public purpose of:

6 (a) Realizing savings to issuer in the aggregate cost of debt service on either a direct
7 comparison or present value basis; or

8 (b) Debt restructuring that:

9 (i) in the aggregate effects such a reduction in the cost of debt service; or

10 (ii) is determined by the governing body to be in the best interests of the
11 issuer, to be consistent with the issuer’s long-term financial plan, and to realize a final objective
12 of the issuer including improving the relationship of debt service to a source of payment such as
13 taxes, assessments, or other charges; and

14 WHEREAS, the Refunding Act further provides that the power to issue refunding bonds
15 shall be deemed additional and supplemental to the issuer’s existing borrowing power, and the
16 procedures for the issuance of refunding bonds shall be the same as those applicable to the bonds
17 or other obligations being refunded, except that refunding bonds may be sold on a negotiated
18 basis without solicitation of bids if the issuer determines in a public meeting that such procedure
19 is in the public interest; and

20 WHEREAS, based on the findings set forth hereinabove, the City Council of Aberdeen
21 has determined that it is in the best interest of the City to issue its general obligation refunding
22 bonds; and

1 WHEREAS, the City Council of Aberdeen has determined that its refunding bonds shall
2 be issued in the aggregate principal amount not to exceed Three Million Dollars (\$3,000,000) for
3 the purpose of refunding the City Bonds Subject to Refunding in whole or in part as set forth in
4 this Ordinance and pursuant to an administrative resolution or resolutions (the "Resolution") to
5 be adopted by the City Council of Aberdeen upon Executive Order of the Mayor pursuant to this
6 Ordinance; and

7 WHEREAS, the City's refunding bonds shall pay the outstanding principal amount due,
8 the redemption premium (if any), the interest accrued or to accrue to the date of redemption of
9 the refunded bonds and the costs of issuance of the City's refunding bonds; and

10 WHEREAS, the Refunding Act further provides that, for the purpose of determining
11 whether refunding bonds issued hereunder are within any debt limitation applicable to an issuer,
12 the amount of the City Bonds Subject to Refunding shall be subtracted from, and the amount of
13 such refunding bonds to be issued shall be added to, the aggregate of such issuer's outstanding
14 bonds; and

15 WHEREAS, the City Council of Aberdeen is hereby authorized to enact an Ordinance
16 adopted in accordance with the Refunding Act and the charter and other applicable provisions of
17 law providing for (or setting forth the manner of determining) the issuance and sale, the
18 designation, form, tenor, denomination, maturity or maturities, and the rate or rates of interest
19 payable upon the City's refunding bonds or other form of indebtedness issued under this
20 Ordinance; and to levy annually *ad valorem* taxes upon the assessable property within the City
21 sufficient, together with other taxes and other available funds to provide for the payment of the
22 interest on and principal or accreted amount of the City's refunding bonds issued under this
23 Ordinance; and

1 WHEREAS, the proposed refunding bonds and any other form of indebtedness issued
2 hereunder is within the legal limitations on the indebtedness of the City; and

3 WHEREAS, the final aggregate principal amount of City's refunding bonds together with
4 certain details of the refunding bonds, including, but not limited to, the form of the refunding
5 bonds, the form of various documents as are necessary to implement the financing authorized by
6 this Ordinance, maturity schedule, interest rate or rates, redemption provisions, date of sale, and
7 purchaser, and appointment of escrow deposit agent as necessary for the Refunding Bonds, shall
8 be determined pursuant to an Executive Order of the Mayor or a private sale (negotiated)
9 approved by an Administrative Resolution(s) adopted by the City Council of Aberdeen; and

10 WHEREAS, the Resolution adopted by the City Council of Aberdeen pursuant to this
11 Ordinance may specify issues of City bonds, in addition to the bonds described in Exhibit A
12 attached hereto which, by virtue of the authority set forth in this Ordinance and in the Resolution,
13 may be refunded with the proceeds from the sale of the Refunding Bonds as the City Council of
14 Aberdeen may determine to be in the best interests of the City.

15 NOW, THEREFORE, in accordance with the provisions of the Local Government Article
16 and the Charter and the laws of the State of Maryland:

17 SECTION 1. Be it enacted by the City Council of Aberdeen, that all terms defined in the
18 foregoing recitals and in Exhibit A hereto shall have the meanings given such terms therein.

19 SECTION 2. Be it further enacted by the City Council of Aberdeen, that it is hereby
20 found and determined as follows:

21 (a) (i) The City has heretofore issued (a) Outstanding 2004 Infrastructure Bond;
22 (b) Outstanding 2005 General Obligation Note; and (c) Outstanding 2007B Infrastructure Bond;
23 in the original aggregate principal amounts listed in Exhibit A hereto for the public purposes and

1 in the amounts (or maximum amounts) for each such public purpose specified in the Bond
2 Resolutions for such series as set forth in Exhibit B hereto. The aggregate outstanding principal
3 amount of the City Bonds Subject to Refunding is also set forth in Exhibit A hereto.

4 (b) Interest rates in the municipal bond market for certain corresponding maturities of
5 bonds are significantly lower than the rates in existence for certain maturities of the (a)
6 Outstanding 2004 Infrastructure Bond; (b) Outstanding 2005 General Obligation Note; and (c)
7 Outstanding 2007B Infrastructure Bond; and the City's financial advisor has advised the City
8 that it may be able to realize savings in aggregate cost of debt service upon the City Bonds
9 Subject to Refunding, which are subject to redemption prior to their stated maturities, in each
10 case on either a direct comparison or a present value basis, by issuing the City's refunding bonds
11 for the purpose of redeeming all or a portion of the City Bonds Subject to Refunding, described
12 in Exhibit A hereto, all on the dates and at the redemption prices specified in Exhibit A hereto
13 (or on such other dates and at such other redemption prices as may be specified in the
14 Resolution) for the purpose of paying any redemption premium, any interest accrued or to accrue
15 on the date of redemption of the Outstanding Bonds and the costs of issuing the City's refunding
16 bonds. The City understands that the final determination of savings in the aggregate cost of debt
17 service for the Outstanding Bonds refunded shall depend on the actual interest rates available at
18 the time the City's Refunding Bonds are sold and the other terms and conditions of the sale.

19 (c) It is therefore in the best interest of the City to issue its general obligation
20 refunding bonds for the purpose of redeeming all or a portion of (a) the City Bonds Subject to
21 Refunding, as described in Exhibit A and as may be further described in the City Council
22 Resolution on the dates and at the redemption prices specified in Exhibit A hereto (or on such
23 other dates or at such other redemption prices as may be specified in the Resolution), and for the

1 purpose of paying any redemption premium, any interest accrued or to accrue to the date of
2 redemption of the City Bonds Subject to Refunding and the costs of issuing the Refunding
3 Bonds, including but not limited to underwriting fees, fees of bond counsel, and forward
4 purchase agreement fees.

5 (d) The aggregate principal amount of the Refunding Bonds, computed in accordance
6 with subsection (d) of the Refunding Act, is within the legal limitation on the indebtedness of the
7 City.

8 (e) In order to achieve the flexibility necessary to structure and market the Refunding
9 Bonds to maximize the savings to the City, and pursuant to the City's authority under the
10 Refunding Act, it is in the public interest to sell the Refunding Bonds at public sale pursuant to a
11 Notice of Sale and to provide for the award and sale of the Refunding Bonds to the purchaser
12 thereof and various other matters relating to the issuance of the Refunding Bonds including,
13 among other things, the final aggregate principal amount of the Refunding Bonds, the years of
14 maturity of the Outstanding Bonds which shall be subject to refunding by the Refunding Bonds,
15 the schedule of maturities of the Refunding Bonds, such revisions to the form of Refunding Bond
16 (as set forth in Section 4 of this Ordinance) as may be required for sale, the terms and conditions
17 relating to any optional redemption or mandatory sinking fund redemption, the purchase price of
18 the Refunding Bonds (which may be either at, above or below par), and the appointment of an
19 escrow deposit agent for the Refunding Bonds, by the Executive Order of the Mayor or by an
20 Administrative Resolution, the sale of the Refunding Bonds at private, negotiated sale.

21 (f) The projects financed with the proceeds of the City Bonds Subject to Refunding
22 are described in Exhibit B, attached hereto.

1 SECTION 3. Be it further enacted by the City Council of Aberdeen, that the City,
2 pursuant to the authority contained in Sections 19-302 through 19-306 of the Local Government
3 Article of the Annotated Code of Maryland (2015 Repl. Vol.) the Charter and the Refunding Act,
4 shall borrow upon the full faith and credit of the City and shall issue and sell upon the full faith
5 and credit of the City an aggregate principal amount not to exceed Three Million Dollars
6 (\$3,000,000) (or such lesser aggregate principal amount as may be specified in an Executive
7 Order of the Mayor or a Resolution of the City Council) of its bonds in registered form without
8 coupons, such bonds to be known as “City of Aberdeen Refunding Bonds, Series 2016”.

9 SECTION 4. Be it further enacted by the City Council of Aberdeen that the date of issue
10 of the Refunding Bonds shall be as provided by the Resolution. The Refunding Bonds shall bear
11 interest at the rate or rates named by the purchaser of the Refunding Bonds at public sale or
12 private (negotiated) sale as shall hereafter be approved upon written recommendation of the
13 Mayor and by the Resolution, and said interest, shall be payable semi-annually in each of the
14 years that the bonds are outstanding: provided that in no event shall the term to maturity exceed
15 thirty (30) years. The Refunding Bonds shall be issued pursuant to the authority of this
16 Ordinance, and shall be issued in denominations of Five Thousand Dollars (\$5,000) each, or any
17 integral multiple thereof. The Refunding Bonds shall be numbered from one (1) consecutively
18 upward in the order of their maturities. The Refunding Bonds shall mature in such serial annual
19 installments and in such amounts and in such years as shall be approved in the Resolution. The
20 Refunding Bonds, when issued, shall be executed in the name of the City of Aberdeen, by the
21 facsimile (or original) signature of the Mayor of Aberdeen, and a facsimile (or original) of the
22 corporate seal of the City shall be imprinted on each of the Refunding Bonds attested by the

1 facsimile (or original) signature of the Clerk of the City of Aberdeen and authenticated by the
2 manual signature of a duly authorized officer of the Bond Registrar (defined in Section 21 of this
3 Ordinance). The facsimiles of said signature and said seal shall be engraved, printed or
4 lithographed on each of the Refunding Bonds in accordance with, and pursuant to, the authority
5 of Sections 2-301 through 2-306, inclusive, of the State Finance and Procurement Article of the
6 Annotated Code of Maryland, as amended (2010 Repl. Vol). The Refunding Bonds shall be
7 subject to registration as to principal and interest in the name or names of the owner or owners
8 thereof on books kept for that purpose at the principal office of the Bond Registrar (defined in
9 Section 21 of this Ordinance) and the principal of the Refunding Bonds shall be payable upon
10 presentation and surrender at the principal office of the Paying Agent (defined in Section 21 of
11 this Ordinance). Payment of interest on the Refunding Bonds shall be made by the Paying Agent
12 on each payment date, to each person appearing on the registration books of the City, maintained
13 by the Bond Registrar, as the registered owner thereof, by check or draft mailed to each such
14 registered owner at his or her address as it appears on such registration books. There shall be
15 printed on or delivered with the Refunding Bonds the text of the approving legal opinion of bond
16 counsel with respect to the Refunding Bonds. Except as provided hereinafter or in resolutions of
17 the City Council of Aberdeen adopted prior to the issuance of the Refunding Bonds, the
18 Refunding Bonds shall be in substantially the following form, which form, together with all
19 covenants and conditions therein contained, is hereby adopted by the City Council of Aberdeen
20 as and for the form of obligation to be incurred by the City of Aberdeen (unless the City Council
21 of Aberdeen shall determine by Resolution that the Refunding Bonds shall be issued in book-
22 entry form), and said covenants and conditions, including the promise to pay therein contained,

1 are hereby made binding upon the City of Aberdeen, in accordance with the endorsement on said

2 Refunding Bonds:

3

UNITED STATES OF AMERICA
ABERDEEN, MARYLAND
CITY OF ABERDEEN
REFUNDING BONDS, SERIES 2016

<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>CUSIP</u>
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	_____, 2016	_____	
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Registered Owner:

Principal Sum: _____ (Dollars) (\$_____)

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 bond as set forth above, or registered assignee, the Principal Sum shown hereon on the Maturity Date shown hereon (or earlier as provided herein) upon presentation and surrender of this bond and to pay interest thereon, 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 case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to _____, 2016, in which event this bond shall bear interest from _____, 2016 unless, as shown by the records of the Bond Registrar (herein defined) interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond at the Interest Rate per annum shown hereon until payment of said principal, such interest to the maturity hereof being payable on _____, 2016, and semiannually thereafter on the first days of _____ and _____ in each year 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 bond will 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, on this bond shall be made upon presentation and surrender hereof at the principal office of _____, Maryland ("Paying Agent"). Payment of interest on this bond shall be made by the Paying Agent on each interest payment date to the person appearing on the registration books of the City maintained by the Bond 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 bond 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 _____, _____, Maryland ("Bond Registrar"), and such registration shall be noted on the back of this bond, after

1 which no transfer hereof shall be valid unless made on the said registration books by the
2 registered owner hereof in person or by his duly authorized attorney, and similarly noted on this
3 bond. The City, Bond Registrar and Paying Agent may deem and treat the person in whose
4 name this bond is registered as the absolute owner hereof for all purposes. This bond, upon
5 surrender hereof at the principal office of the Bond Registrar with a written instrument of
6 transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his
7 duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an
8 equal aggregate principal amount of Bonds (hereinafter defined) of authorized denominations
9 and of the same form and tenor as this bond. For every such exchange or transfer of Bonds, the
10 City or the Bond Registrar shall make a charge for any tax or other governmental charge required
11 to be paid with respect to such exchange or transfer as a condition precedent to the exercise of
12 such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer
13 of Bonds during the 15 days next preceding an interest payment date on the Bonds, or in case of
14 any proposed redemption of the Bonds, during the 15 days next preceding the date of the
15 publication of notice of such redemption. The Bond Registrar shall not be required to make any
16 transfer or exchange of any bonds called for redemption.

17
18 The bond is one of a duly authorized issue or series of bonds aggregating _____
19 Dollars (\$_____) in principal amount, all dated as of _____, 2016 and known as "City
20 of Aberdeen Refunding Bonds, Series 2016" (the "Bonds"). The Bonds shall be issued as fully
21 registered bonds without coupons in denominations of Five Thousand Dollars (\$5,000) or any
22 integral multiple thereof. The Bonds mature serially in installments on the first day of
23 _____ in each of the years ____ to _____, inclusive, as follows: _____. The
24 Bonds are numbered from one (1) consecutively upwards in the order of their maturities, are of
25 like tenor except as to maturity, number and interest rate, are issued pursuant to and in full
26 conformity with the provisions of the Charter of the City of Aberdeen, as amended, and by virtue
27 of due proceedings had and taken by the City Council on Aberdeen, particularly an Ordinance
28 enacted on _____, 2016, entitled Ordinance No. 16-__ and a Resolution adopted on
29 _____, 2016.

30
31 The full faith and credit and unlimited taxing power of the City is pledged to the
32 punctual payment of the principal of and interest on this bond according to its terms, and the City
33 covenants and agrees punctually to pay the principal of this bond and the interest thereon, at the
34 dates and in the manner mentioned herein.

35
36 No covenant or agreement contained in this bond shall be deemed to be a covenant or
37 agreement of any officer, agent or employee of the City in his or her individual capacity, and
38 neither the members of the City Council of the City of Aberdeen nor any official executing this
39 bond shall be personally liable or be subject to any personal liability or accountability by reason
40 of the issuance of this bond.

41
42 It is hereby certified and recited that each and every act, condition and thing required to
43 exist, to be done, to have happened and to be performed precedent to and in the issuance of this
44 bond, does exist, has been done, has happened and has been performed in full and strict
45 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 bonds 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 bond.

In any case where any date of payment of principal of, premium (if any), or interest on this bond, or the date fixed for any redemption of this bond, 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 bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF the City of Aberdeen, has caused this bond 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 _____ day of _____, 2016.

Attest:

CITY OF ABERDEEN

Clerk

By: _____
Mayor

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of City of Aberdeen
Refunding Bonds, Series 2016

By: _____

[Form of Registration]

(No writing hereon except by an officer of _____, Baltimore, Maryland, Bond 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 bond, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond 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 bond 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 bonds, of which this bond 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 bonds and that an executed copy thereof is on file with the Paying Agent.

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

1 SECTION 5. Be it further enacted by the City Council of Aberdeen, that the Refunding
2 Bonds shall bear interest at the rate or rates for such Refunding Bonds to be established by
3 negotiation and agreement with the purchaser of the Refunding Bonds, approved by Executive
4 Order of the Mayor in accordance with Section 11 of this Ordinance, and such interest shall be
5 payable semi-annually, annually or more frequently in each year until maturity, and on the
6 maturity or redemption date thereof, until and including the date of maturity or earlier
7 redemption; provided that such interest payment dates may be changed by Administrative
8 Resolution of the City Council.

9 Each Refunding Bond shall bear interest from the interest payment date next preceding
10 the date of registration and authentication of such Refunding Bond, unless such Refunding Bond
11 is registered and authenticated on an interest payment date, in which case it shall bear interest
12 from such interest payment date, or, unless authenticated prior to the first interest payment date,
13 in which case it shall bear interest from the date of issuance of the Refunding Bonds, or unless,
14 as shown by the records of the Bond Registrar, interest on such Refunding Bond shall be in
15 default, in which event such Refunding Bond shall bear interest from the date to which interest
16 was last paid on such Refunding Bond. Interest shall accrue from the date of issuance of the
17 Refunding Bonds until the maturity date thereof at the interest rate or rates for such Refunding
18 Bonds to be established by negotiation (unless the Refunding Bonds are sold at public sale
19 and/or by competitive bid) in accordance with Section 11 of this Ordinance, and shall be
20 compounded semiannually each year until maturity, and shall be payable on the maturity date
21 thereof; provided that such dates may be changed by the Resolution.

22 SECTION 6. Be it further enacted by the City Council of Aberdeen, that prior to the
23 issuance, sale and delivery of any bonds, bond anticipation notes, or any other evidences of

indebtedness, pursuant to this Ordinance, the Mayor of the City by Executive Order or the City Council of Aberdeen shall (without limitation) determine administratively in the Resolution:

(a) The substantially final form of instruments or agreements by which the debt or financing authorized herein shall be evidenced (including, but not limited to, bonds, bond anticipation notes, trust agreements and trust indentures;

(b) The manner, if any, by which any indebtedness or financing shall be secured in addition to a pledge of the full faith and credit and unlimited taxing power of the City;

(c) The principal amounts, rate or rates of interest or method of determining such rate or rates, date, denominations, maturity payment provisions and prepayment, tender and/or redemption provisions (if any) and other terms and conditions thereof;

(d) The maturities and amounts of the Outstanding Bonds to be redeemed;

(e) The substantially final form and contents and consent to the distribution (and shall authorize the execution and delivery, where applicable) of various agreements and documents as are necessary to implement the financing authorized herein, including, but not limited to, a Preliminary Official Statement and/or an Official Statement, a Notice of Sale, a solicitation of offers for purchase of the Refunding Bonds by prospective purchasers of the Refunding Bonds, a Purchase Contract with the underwriter(s) selected, and if any indebtedness is determined by the Resolution, to be issued in book entry form, securities depository agreements (collectively the "Documents"), required for the issuance, sale and delivery of any evidence of indebtedness or the completion of the financing authorized herein, which Documents shall contain such provisions as may be required by law or to consummate the financing authorized herein;

(f) The details of a public sale of the Refunding Bonds after competitive bid, if the Mayor of the City, by Executive Order, or the City Council of Aberdeen shall determine that

1 such public sale (rather than the manner of sale set forth in Section 11 of this Ordinance) is in the
2 best interests of the City;

3 (g) The manner in which any evidence of indebtedness authorized for issuance by this
4 Ordinance shall be executed, sealed and attested (which may be by facsimile signature and/or
5 seal) if different from the provisions of this Ordinance;

6 (h) Provision for the payment of all necessary expenses of preparing, printing and
7 selling any evidence of indebtedness and the Documents including, without limitation, any and
8 all costs, fees and expenses incurred by or on behalf of the City in connection with the
9 authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in
10 connection with the development of the Documents, including the fees of counsel to the City and
11 compensation to any persons (other than full-time employees of the City) or entities performing
12 services for or on behalf of the City in connection therewith and in connection with all other
13 transactions contemplated by this Ordinance regardless of whether the proposed financing is
14 consummated;

15 (i) The manner in which the payment of the purchase price of the Refunding Bonds
16 deposited with the Director of Finance shall be transferred for deposit in trust with a trust
17 company or other banking institution as trustee (the "Escrow Deposit Agent") as determined in
18 the Resolution; such Escrow Deposit Agent to apply all or part of the funds so deposited to the
19 purchase of direct obligations of, or obligations the timely payment of the principal of and the
20 interest on which is unconditionally guaranteed by, the United States of America, or,
21 alternatively, if approved by bond counsel and the City's Financial Advisor, the open market
22 purchase of tax exempt bonds, the principal of and interest on which shall be sufficient to pay in

1 a timely manner all or a part of the principal of and redemption premium, if any, and interest on,
2 such of the Outstanding Bonds as may be identified in the Resolution;

3 (j) Such other matters in connection with the consummation of the financing
4 transactions contemplated by this Ordinance as may be deemed appropriate by the City Council
5 of Aberdeen, including (without limitation) the appointment of agents (including, but not limited
6 to, trustees, paying agents, indexing agents and/or registrars) in connection with the financing,
7 the execution, acknowledgment, sealing and delivery of such other and further agreements,
8 documents and instruments, and the authorization of the officials of the City to take any and all
9 actions as are or may be necessary or appropriate to consummate the transactions contemplated
10 by this Ordinance in accordance with the terms hereof and of the Resolution. The Resolution
11 shall be deemed to be of an administrative nature and shall be effective upon the date specified in
12 the Resolution;

13 (k) Provide for whether all or any portion of the Refunding Bonds, and interest
14 thereon, shall be issued and sold as non-taxable or taxable bonds;

15 (l) Determine whether the Refunding Bonds, or any portion thereof, shall be issued
16 and sold as a single series or multiple series.

17 SECTION 7. Be it further enacted by the City Council of Aberdeen, that the term
18 "Outstanding Bonds" as described in this Ordinance shall be deemed to refer to the (a)
19 Outstanding 2004 Infrastructure Bond; (b) Outstanding 2005 General Obligation Note; and (c)
20 Outstanding 2007B Infrastructure Bond; and such additional issues of the City's bonds (if any)
21 as the Resolution may specify to be redeemed with the proceeds of the Refunding Bonds,
22 including payment of redemption premiums and interest accrued, or to accrue to the date of
23 redemption, purchase, or maturity of such additional issues of the City's bonds.

1 SECTION 8. Be it further enacted by the City Council of Aberdeen, that authority is
2 hereby conferred respectively on the Mayor of the City, the City Manager, the Director of
3 Finance, and the City Attorney, or any of them, and they are hereby directed to take the
4 following actions on behalf of the City:

5 (a) to execute, acknowledge, seal and deliver the Documents substantially in the
6 forms determined administratively by the City Council of Aberdeen in the Resolution; and

7 (b) to execute, acknowledge, seal and deliver such other and further certificates,
8 certifications, agreements, documents and instruments and take such other actions as they or any
9 one or more of them may deem necessary or appropriate to consummate the transactions
10 contemplated by this Ordinance in accordance with the provisions hereof and of the Resolution.

11 SECTION 9. Be it further enacted by the City Council of Aberdeen, that the Director of
12 Finance, or his authorized deputy, is hereby authorized and empowered to prepare and distribute
13 copies of the Documents to any person who may, in his judgment, be interested in participating
14 in the financing described in this Ordinance or who may request the same or information with
15 respect thereto; provided, however, that any preliminary official statement and related material
16 shall be clearly marked to indicate that they are subject to completion and amendment.

17 SECTION 10. Be it further enacted by the City Council of Aberdeen, that, all evidences
18 of indebtedness issued pursuant to this Ordinance shall be secured by the pledge of the full faith
19 and credit and unlimited taxing power of the City, and the City shall levy or cause to be levied in
20 all fiscal years in which any such evidences of indebtedness are outstanding, upon all legally
21 assessable property within its corporate limits, *ad valorem* taxes in rate and amount sufficient to
22 provide or the payment, when due, of all payments due with respect to such financing in each
23 such fiscal year. If the proceeds from the taxes so levied in any such fiscal year are inadequate

1 for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such
2 deficiency. The City covenants and agrees with the holders or obligees, from time to time, of any
3 Refunding Bond or any other evidences of indebtedness issued pursuant to this Ordinance to levy
4 and collect the taxes hereinabove described and to take any further action that may be
5 appropriate from time to time during the period that such financing obligations remain
6 outstanding and unpaid to provide the funds necessary to pay the same promptly when due.

7 SECTION 11. Be it further enacted by the City Council of Aberdeen that the Refunding
8 Bonds may each be sold for a price at par, plus accrued interest to the date of delivery. The
9 Refunding Bonds shall each be sold by negotiated sale without solicitation of bids unless the
10 City Council approves by Administrative Resolution, the sale of the Refunding Bonds by
11 competitive bid, pursuant to the Refunding Act, at public sale, and such procedure for the sale of
12 the Refunding Bonds is hereby determined to be in the public interest.

13 SECTION 12. And be it further enacted by the City Council of Aberdeen that the City
14 intends to provide funds for payment of principal of, premium (if any) and interest on the City
15 Bonds Subject to Refunding to the extent the proceeds thereof were used to finance water and
16 sewer projects (collectively the "Maturities of the City's Bonds Subject to Refunding Issued to
17 Finance Water and Sewerage Systems"), or other indebtedness from certain funds related to
18 operation of the water and sewerage systems of the City. These funds include area connection
19 charges, special assessments, user surcharges, certain depreciation reserves relating to
20 depreciation of the water and sewerage systems, a portion of the recordation tax levied by the
21 City with respect to recordation of interests in real property located within the City, and earnings
22 on the above-described funds.

1 To the extent any of the above-described funds are specifically designated for payment of
2 debt service on Maturities of the City's Bonds Subject to Refunding Issued to Finance Water and
3 Sewerage Systems by the legislation or resolution establishing the tax, assessment, surcharge or
4 other source of revenue so designated, and so long as such tax, assessment, surcharge or other
5 revenue source remains so designated and levied by the City, the City hereby covenants to apply
6 all such designated revenues to payments of debt service on Maturities of the City's Bonds
7 Subject to Refunding Issued to Finance Water and Sewer Systems.

8 In the event that the funds described in this Section related to the operation of the Water
9 and Sewer Systems of the City are insufficient to pay the principal of, premium (if any) and
10 interest on the portion of the Refunding Bonds, the proceeds of which are used to redeem the
11 Bonds Subject to Refunding Issued to Finance Water and Sewerage Systems, the full faith and
12 credit and unlimited taxing power of the City of Aberdeen are irrevocably pledged to the
13 payment of such principal, premium (if any) and interest on the Refunding Bonds as hereinafter
14 provided.

15 SECTION 13. Be it further enacted, if recommended by the City's Financial Advisor, by
16 the Mayor and the City Council of Aberdeen hereby authorizes (a) the appointment of an
17 underwriter (the "Underwriter") to be determined by executive order of the Mayor in connection
18 with the sale of the Refunding Bonds, and (b) the payment by the City to the Underwriter out of
19 the proceeds of the sale thereof or otherwise for services rendered in connection therewith, in an
20 amount not to exceed a percentage of the principal amount of such financing, such percentage to
21 be determined in the Resolution.

22 SECTION 14. Be it further enacted by the City Council of Aberdeen, that the Mayor is
23 hereby authorized and empowered for and on behalf of the City:

(a) to determine whether the City Bonds Subject to Refunding, shall be refunded currently or in advance and to select the maturities of the bonds to be refunded, at anytime before or prior to the closing for the sale of the Refunding Bonds;

(b) to cause the preparation, printing, execution and delivery of the Documents, each substantially in the form presented to the City Council of Aberdeen, with such modifications, supplements or amendments thereto as may be recommended by counsel;

(c) whether the Refunding Bonds and/or the interest thereon shall be exempt from income taxation; and

(d) to do all such things as may be necessary or desirable in the opinion of the Mayor in connection therewith.

SECTION 15. Be it further enacted by the City Council of Aberdeen, that, upon written recommendation of the Mayor, the City Council of Aberdeen may, at any time, prior to the execution of a purchase agreement with the Underwriter for the purchase of the Refunding Bonds, by resolution(s) of the City Council of Aberdeen, administrative in nature, change the date of sale, the date of bid opening, the dates of maturity or redemption of the Refunding Bonds, the amount of the Refunding Bonds to be sold (so long as the principal amount does not exceed the maximum principal amount of the Refunding Bonds permitted under this Ordinance) and the amount(s) of Refunding Bonds maturing in each year, the years of maturity of the Outstanding Bonds to be, refunded, the interest payment dates of the Refunding Bonds, appoint paying agents and/or registrars for the bonds, the solicitation for sale, whether ownership of the Refunding Bonds shall be maintained in book entry or certificated bond form, and the terms of sale of the Refunding Bonds.

1 SECTION 16. Be it further enacted by the City Council of the City of Aberdeen that,
2 subsequent to the execution of the purchase agreement between the City and the purchaser or
3 Underwriter and upon written recommendation of the Mayor, the interest rate or rates payable
4 thereon shall be fixed by a Resolution in accordance with the terms and conditions of the sale of
5 the Refunding Bonds. The proceeds of the sale of the Refunding Bonds, including any premium
6 and accrued interest received therefore, shall be paid to the Department of the Treasury of City
7 of Aberdeen and shall be deposited in a special account of the City of Aberdeen. The City of
8 Aberdeen may, at its option, deduct from the gross proceeds received from the sale of the
9 Refunding Bonds the cost of issuing the same, including the cost of advertising, printing and
10 professional fees (including legal) and expenses. There shall be deducted from the total gross
11 proceeds. received from the sale of the Refunding Bonds the amount received on account of
12 accrued interest on the Refunding Bonds, which amount shall be set apart by the Director of
13 Finance of the City of Aberdeen in a special fund and applied to the first maturing interest
14 payment of the Refunding Bonds, The balance of the proceeds of the sale of the Refunding
15 Bonds shall be expended for the purposes set forth in this Ordinance, and in the Resolution.

16 SECTION 17. Be it further enacted by the City Council of Aberdeen, that for the purpose
17 of paying the interest on, premium (if any) and principal of the Refunding Bonds authorized by
18 this Ordinance, there is hereby levied and there shall hereafter be levied in each fiscal year that
19 any of the Refunding Bonds are outstanding, *ad valorem* taxes on real and tangible personal
20 property and intangible property subject to taxation by the City without limitation on rate or
21 amount; and, in addition, upon such other intangible property as may be subject to taxation by
22 the City within limitations prescribed by law, in an amount sufficient together with funds
23 available from other sources, to pay the annual interest on the Outstanding Bonds and to redeem

1 the Outstanding Bonds maturing during the succeeding year; and the full faith and credit and the
2 unlimited taxing power of the City are hereby irrevocably pledged to the punctual payment of the
3 principal of (or accreted amount) premium (if any) and interest on the Refunding Bonds as and
4 when they mature. The City of Aberdeen, by the passage of this Ordinance hereby covenants and
5 agrees properly and promptly to perform all of the respective acts and duties defined in this
6 Ordinance for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable
7 property within the corporate limits of Aberdeen, as the levy and collection of such a tax
8 becomes necessary in order to meet the debt service requirements of the Refunding Bonds. By
9 this Ordinance, the City of Aberdeen agrees to take all action it may be legally authorized and
10 empowered to take in order to enforce, in any year in which any of the Refunding Bonds are
11 outstanding, the guarantee of such Refunding Bonds by the City of Aberdeen.

12 SECTION 18. Be it further enacted by the City Council of Aberdeen that the City
13 covenants and agrees with the registered owners from time to time of the Refunding Bonds as
14 follows:

15 (a) The City covenants that it will not make any use of the proceeds of any of the
16 Refunding Bonds whose interest is exempt from income taxation or any moneys, securities or
17 other obligations on deposit to the credit of the City or otherwise which may be deemed by the
18 Internal Revenue Service to be proceeds of any of the Refunding Bonds pursuant to the Internal
19 Revenue Code of 1986, as amended, and Income Tax Regulations thereunder (collectively, the
20 "Code"), which would cause any of the Refunding Bonds to be "arbitrage bonds" or "private
21 activity bonds" within the meaning of the Code.

22 (b) The City further covenants that it will comply with those provisions of the Code
23 which are applicable to the Refunding Bonds on the date of issuance of the Refunding Bonds and

1 which may subsequently lawfully be made applicable to the Refunding Bonds. To the extent that
2 provisions of the Code apply to only a portion of the Bonds, proceeds of the Bonds or other
3 moneys, securities or other obligations deemed to be proceeds, it is intended that the covenants
4 of the City contained in this Section 18 be construed as to require the City to comply with the
5 provisions of the Code only to the extent of such applicability.

6 (c) The City further covenants that it will not (i) take any action, (ii) fail to take any
7 action, or (iii) make any use of the proceeds of any of the Refunding Bonds which would cause
8 the interest on any of the Refunding Bonds to be or become subject to federal income taxes in the
9 hands of the registered holders of any of the Refunding Bonds, unless and except for any
10 Refunding Bonds which are designated as “taxable”.

11 SECTION 19. Be it further enacted by the City Council of Aberdeen, that the Refunding
12 Bonds shall be executed and attested in the manner described in this Ordinance. In the event that
13 any officer whose signature shall appear on the Refunding Bonds shall cease to be such officer
14 before the delivery of the Refunding Bonds, such signature shall nevertheless be valid and
15 sufficient for all purposes, the same as if such officer had remained in office until delivery.

16 SECTION 20. Be it further enacted by the City Council of Aberdeen, that the Director of
17 Finance is hereby designated and appointed as bond registrar, paying agent and authenticating
18 agent for the Refunding Bonds (the “Bond Registrar”); provided, however, upon Executive
19 Order of the Mayor and Administration Resolution of the City Council, a bank or trust company
20 may be appointed as paying agent and/or registrar. The Bond Registrar shall maintain books of
21 the City for the registration and transfer of the Refunding Bonds. No Refunding Bonds may be
22 registered to bearer. In addition, the City may from time to time, either prior to or following the
23 issuance of the Refunding Bonds, designate and appoint the Department of the Treasury of the

1 City, any officer or employee of the City or one or more banks, trust companies, corporations or
2 other financial institutions to act as a substitute or alternate bond registrar, paying agent or
3 authenticating agent for the Refunding Bonds, and any such substitute or alternate shall be
4 deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes specified in the
5 resolution appointing such substitute or alternate. Any such appointment shall be made by the
6 City Council of Aberdeen by resolution, and the exercise of such power of appointment, no
7 matter how often, shall not be an exhaustion thereof.

8 SECTION 21. Be it further enacted by the City Council of Aberdeen that the Refunding
9 Bonds shall be authenticated and shall be subject to registration, exchange and transfer as
10 follows:

11 (a) No Refunding Bond shall be valid or obligatory for any purpose unless and until
12 the certificate of authentication therefore shall have been duly executed by the Bond Registrar,
13 and such executed certificate of the Bond Registrar upon any such Refunding Bond shall be
14 conclusive evidence that such Refunding Bond has been authenticated and delivered pursuant to
15 this Ordinance. The Bond Registrar's certificate of authentication on any Refunding Bond shall
16 be deemed to have been executed by it if manually signed by an authorized signer of the Bond
17 Registrar, but it shall not be necessary that the same person sign the certificate of authentication
18 on all of the Refunding Bonds issued hereunder.

19 (b) Each Refunding Bond shall be transferable only upon the books of the City
20 maintained by the Bond Registrar, at the written request of the registered owner thereof or his
21 attorney duly authorized in writing. Any such transfer of such Refunding Bond shall be made,
22 upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond
23 Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon

1 the surrender for transfer of any Refunding Bond, the City shall issue, and the Bond Registrar
2 shall authenticate, in the name of the transferee, in authorized denominations, a new Refunding
3 Bond or Refunding Bonds of the same aggregate principal amount and of the same form and
4 tenor as the surrendered Refunding Bond. If any Refunding Bond is presented for such purpose
5 at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to be
6 registered in the Bond Registrar and permit to be transferred thereon, under such reasonable
7 regulations as the City or the Bond Registrar may prescribe, any Refunding Bond entitled to
8 registration or transfer. So long as any of the Refunding Bonds remain outstanding, the City shall
9 cooperate in making all necessary provisions to permit the exchange of Refunding Bonds at the
10 principal office of the Bond Registrar.

11 The City and the Bond Registrar may deem and treat the person in whose name any
12 Refunding Bond shall be registered upon the books of the City as the absolute owner of such
13 Refunding Bond, whether such Refunding Bond shall be overdue or not, for the purpose of
14 receiving payment of, or on account of, the principal or accreted amount of and premium, if any,
15 and interest on such Refunding Bond and for all other purposes, and all such payments so made
16 to any such registered owner or, upon his order shall be valid and effectual to satisfy and
17 discharge the liability upon such Refunding Bond to the extent of the sum or sums so paid, and
18 neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

19 In all cases in which the privilege of exchanging Refunding Bonds or transferring
20 Refunding Bonds is exercised, the City shall execute, and the Bond Registrar shall authenticate
21 and deliver, Refunding Bonds in accordance with the provisions of this Ordinance. All
22 Refunding Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by
23 the Bond Registrar. For every such exchange or transfer of Refunding Bonds, the City or the

Bond Registrar shall make a change for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall not be obligated to make any such exchange or transfer of Refunding Bonds during the 15 days next preceding an interest payment date on the Refunding Bonds, or in case of any proposed redemption of the Refunding Bonds, during the 15 days next preceding the date of the mailing or delivery of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Refunding Bonds called for redemption.

(c) In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the City may execute, and the Bond Registrar may authenticate, a new Refunding Bond of like date, maturity, interest rate and denomination as that of the Refunding Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Refunding Bonds, such mutilated Refunding Bonds shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Refunding Bond, there shall be first furnished to the City and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the City and the Bond Registrar, together with indemnity satisfactory to them. In the event any such Refunding Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Refunding Bond, the Bond Registrar may pay the same without surrender thereof. The City and the Bond Registrar may charge the registered owner of such Refunding Bond their expenses and reasonable fees, if any, in this connection.

SECTION 22. Be it further enacted by the City Council of Aberdeen, that:

1 (a) Certain of the Refunding Bonds may be subject to redemption prior to maturity.
2 The Refunding Bonds so subject to redemption, if any, the redemption dates, the redemption
3 prices, and the method of choosing Refunding Bonds to be redeemed upon a partial redemption,
4 shall be specified in an Executive Order of the Mayor, based upon the advice of the City's
5 Financial Advisor.

6 (b) Unless notice of redemption shall be waived in writing by the registered owners
7 of the Refunding Bonds to be redeemed, a notice calling for redemption of the Refunding Bonds
8 to be redeemed shall be mailed by the Bond Registrar, not less than 30 days nor more than 45
9 days, prior to the date fixed for redemption (the "Redemption Date"), (i) to all registered owners
10 of the Refunding Bonds to be redeemed (in whole or in part), at their addresses appearing on the
11 registration books kept by the Bond Registrar, by first-class mail, postage prepaid; and (iii) (A)
12 to The Depository Trust Company, Midwest Securities Trust Company, Pacific Securities
13 Depository Trust Company, Philadelphia Depository Trust Company, and any other registered
14 securities depository hereafter established, and their respective successors and assigns, if any, by
15 certified or registered mail or overnight delivery service, and (B) to at least two national
16 information services that disseminate redemption notices, by certified or registered mail or
17 overnight delivery service; but failure to mail or deliver any such notice or any defect in the
18 notice so mailed or delivered, or in the mailing or delivery thereof, shall not affect the validity of
19 any redemption proceedings. Such notice shall specify numbers, CUSIP numbers and maturities
20 of the Refunding Bonds to be redeemed (in whole or in part), which statement of numbers may
21 be from one number to another, inclusive, the Redemption Date and redemption price, and shall
22 further state that, on the Redemption Date, the Refunding Bonds called for redemption will be
23 due and become payable at the office of the Bond Registrar, and that, from and after the

1 Redemption Date, interest thereon shall cease to accrue. The Bond Registrar will use its best
2 efforts to mail a second notice of redemption to registered owners of Refunding Bonds who have
3 not presented their Refunding Bonds for redemption 60 days after the Redemption Date.

4 (c) On the Redemption Date, notice having been mailed or waived, and moneys for
5 the payment of the redemption price plus accrued interest being held by the Bond Registrar, the
6 Refunding Bonds (or portions thereof) so called for redemption shall become due and payable at
7 the redemption price provided for redemption of such Refunding Bonds (or such portions
8 thereof) on the Redemption Date, interest on such Refunding Bonds so called for redemption
9 shall cease to accrue and the holders or registered owners of such Refunding Bonds so called for
10 redemption shall have no rights in respect thereto except to receive payment of the redemption
11 price thereof, plus accrued interest thereon to the Redemption Date from such moneys held by
12 the Bond Registrar.

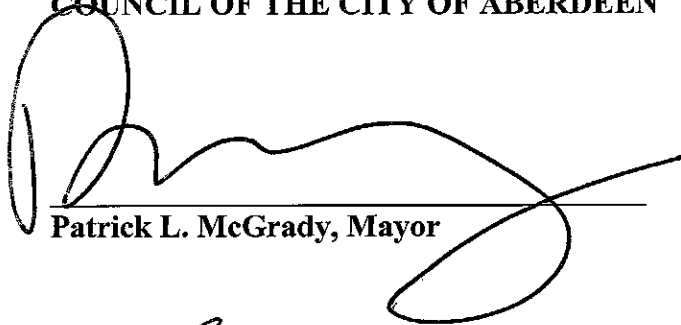
13 (d) If it is determined that a portion, but not all of the principal amount represented by
14 any Refunding Bond is to be called for redemption, then upon notice of intention to redeem such
15 portion, the registered owner of such Refunding Bond shall forthwith surrender such Refunding
16 Bond to the Bond Registrar (i) the payment of the redemption price (including the premium, if
17 any, and interest to the Redemption Date) of the portion of the principal amount thereof called
18 for redemption; and (ii) in exchange for a new Refunding Bond of the unredeemed balance of the
19 principal amount of such Refunding Bond, and having the same form and tenor as such
20 Refunding Bond. If the Refunding Bond is required to be surrendered to the Bond Registrar, a
21 new Refunding Bond or Bonds representing the unredeemed balance of the principal amount of
22 such Refunding Bond shall be issued to the registered owner thereof without charge therefor. If
23 the registered owner of any such Refunding Bond shall fail to present such Refunding Bond to

1 the Bond Registrar for payment and exchange as aforesaid, such Refunding Bond shall
2 nevertheless become due and payable on the date fixed for redemption to the extent of the
3 portion of the principal amount called for redemption (and to that extent only). Interest shall
4 cease to accrue on the portion of the principal amount of such Refunding Bond called for
5 redemption on and after the Redemption Date, and no Refunding Bonds shall be thereafter issued
6 corresponding to such portion.

7 SECTION 23. Be it further enacted by the City Council of Aberdeen, that the provisions
8 of this Ordinance are severable, and if any provision, sentence, clause, section or part hereof is
9 held illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such
10 illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the
11 remaining provisions, sentences, clauses, sections or parts of this Ordinance or their application
12 to other persons or circumstances. It is hereby declared to be the legislative intent that this
13 Ordinance would have been passed if such illegal, invalid or unconstitutional provision, section,
14 clause, section or part had not been included herein, as if the person or circumstances to which
15 this Ordinance or any part here are inapplicable had been specifically exempted therefrom.

16 SECTION 24. Be it further enacted by the City Council of Aberdeen that upon
17 recommendation of the Mayor, the City Council of Aberdeen may adopt a resolution pursuant to
18 Sections 19-302 through 19-306, inclusive, of the Local Government Article of the Annotated
19 Code of Maryland (2015 Replacement Volume), as amended, authorizing the Refunding Bonds
20 to be sold, pursuant to this Ordinance, to be consolidated for sale and issued, sold and delivered
21 as a single issue of bonds with other bonds authorized to be sold by the City of Aberdeen.

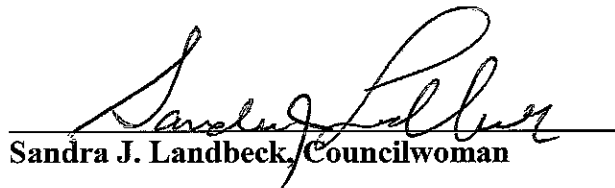
COUNCIL OF THE CITY OF ABERDEEN



Patrick L. McGrady, Mayor



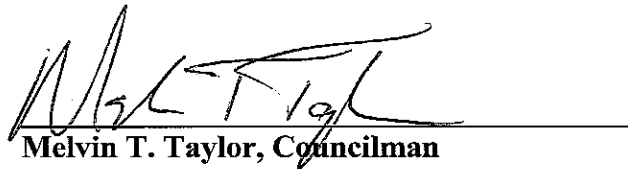
Steven E. Goodin, Councilman



Sandra J. Landbeck, Councilwoman



Timothy W. Lindecamp, Councilman



Melvin T. Taylor, Councilman

ATTEST:

SEAL:


Monica A. Correll, City Clerk

Date April 25, 2016



EXHIBIT A

1. Name of Issue: Infrastructure Bond, Series 2004B

Date of Issue: November 18, 2004

Original Aggregate Principal Amount: \$679,800.00

Outstanding Principal Amount: \$335,000

Enabling Authority: Resolution No. 657-04, adopted August 9, 2004

Redemption Date: After June 1, 2014

Redemption Price: Par

2. Name of Issue: 2005 General Obligation Note

Date of Issue: June 30, 2005

Original Aggregate Principal Amount: \$1,000,000.00

Outstanding Principal Amount: \$450,000

Enabling Authority: Resolution No. 675-05, adopted June 9, 2005

Redemption Date:

Redemption Price: Par

3. Name of Issue: Infrastructure Bond, Series 2007B

Date of Issue: November 14, 2007

Original Aggregate Principal Amount: \$3,084,500.00

Outstanding Principal Amount: \$1,844,400

Enabling Authority: Ordinance No. 734-07, enacted October 15, 2007, effective

November 4, 2007

Redemption Date: June 1, 2017

Redemption Price: Par, 100%

EXHIBIT B