

COUNCIL OF THE CITY OF ABERDEEN
Resolution No. 16-R-04

Introduced by:	Mayor Patrick L. McGrady
Date Introduced:	June 6, 2016
Amendments:	June 6, 2016
Date Adopted:	June 6, 2016
Date Effective:	June 6, 2016

A RESOLUTION of the City Council of Aberdeen, Maryland (the “City Council”), having reference to the issuance of Two Million Three Hundred Eighteen Thousand Three Hundred Dollars (\$2,318,300.00) aggregate principal amount of Bonds known as City of Aberdeen, Series 2016A Refunding Bond (the “Series 2016A Refunding Bond”), fixing the interest rates payable on the Series 2016A Refunding Bond so authorized and awarding the Series 2016A Refunding Bond to the successful bidder therefor upon the basis of bids reviewed this day in accordance with the Request for Proposals giving notice of the sale of the Series 2016A Refunding Bond pursuant to Ordinance 16-O-11 adopted on April 25, 2016; confirming that the Series 2016A Refunding Bond which matures on or after November 1, 2022 shall be subject to redemption prior to maturity; prescribing the form of the Series 2016A Refunding Bond and the method of execution and authentication thereof; and affirming that the full faith and credit and unlimited taxing power of the Mayor and City Council of Aberdeen are pledged to the payment of the principal, premium (if any) and interest on the Series 2016A Refunding Bond.

1 WHEREAS, the Series 2016A Refunding Bond is to be issued pursuant to and in full conformity with the
2 provisions of Ordinance No. 16-O-11 as enacted by the City Council on April 25, 2016 (“the “Refunding Bill”);
3 and

4 WHEREAS, pursuant to the Refunding Bill, an issue of Bond known as City of Aberdeen, Series 2016A
5 Refunding Bond, was authorized to be issued and sold after the distribution of a Request for Proposals to certain
6 financial institutions by Davenport & Company, financial advisor to the City (“Financial Advisor”) (“Request for
7 Proposals”), and the terms of sale were determined in accordance with the terms and conditions of the Refunding
8 Bill; and

9 WHEREAS, it was provided in the Refunding Bill that the issue of Series 2016A Refunding Bond
10 described above should be sold by bids on written proposals and/or electronic bids to the Financial Advisor; and

11 WHEREAS, it was provided in the Request for Proposals that proposals and bids for the issue of Series
12 2016A Refunding Bond described above should be submitted to the Financial Advisor by May 16, 2016 at 11:00
13 A.M. (E.S.T.); and

14 WHEREAS, nine proposals, in accordance with the terms of the Request for Proposals described above
15 were received for the purchase of the Series 2016A Refunding Bond and were opened on behalf of the City by
16 Davenport and Company, Financial Advisor to the City of Aberdeen; and

17 WHEREAS, the Financial Advisor to the City has advised the City, as indicated in Exhibit A attached
18 hereto, and the Mayor of the City has recommended to the City Council, based upon the advice of the Financial
19 Advisor, that the Series 2016A Refunding Bond bids have been received and reviewed and that the lowest interest
20 cost to the City for the Series 2016A Refunding Bond in accordance with the Request for Proposals as revised and
21 approved by the Director of Finance, has been determined; and

WHEREAS, after study and computation it has been determined that the overall lowest interest cost to the City, determined by the Financial Advisor, represented by the various bids for the Series 2016A Refunding Bond is as follows:

<u>BIDDER</u>	<u>INTEREST COST</u>
Pinacle Public Finance	2.100%
Signature Public Finance	2.160%
The Columbia Bank	2.185%
Branch Banking & Trust Company	1.840%
Huntington Public Capital Corporation	2.290%
Capital One Public Funding	2.230%
M&T Bank	2.160%
SunTrust	2.590%
Howard Bank	2.000%

WHEREAS, the Financial Advisor and the Mayor of the City have advised that the bid made by Branch Banking & Trust Company is the best bid received for the issue of the Series 2016A Refunding Bond hereinabove referred to; and

WHEREAS, the City Council of Aberdeen has been advised by bond counsel that the best bid, as heretofore recited, was made in accordance with the terms of the Request for Proposals for the Series 2016A Refunding Bond as reviewed and approved by the Mayor; and

WHEREAS, the City Council of Aberdeen is now ready to accept the bid for said issue of the Series 2016A Refunding Bond as submitted by Branch Banking and Trust Company at the price named in their bid, the Series 2016A Refunding Bond of the respective serial maturities to bear interest in accordance with the terms of said bid, and also to fix the interest rates payable on the Series 2016A Refunding Bond in accordance with the terms of said bid; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Aberdeen:

1 Section 1. That the recommendation of the Director of Finance for the opening of bids for the Series
2 2016A Refunding Bond at 11:00 a.m. on May 16, 2016 is approved.

3 Section 2. That the Request for Proposals, as amended and approved by the Director of Finance, dated May
4 2, 2016 for the Series 2016A Refunding Bond attached hereto as Exhibit B is hereby approved.

5 Section 3. That, the bid of Branch Banking & Trust Company, for the Two Million Three Hundred
6 Eighteen Thousand Three Hundred Dollar (\$2,318,300.00) aggregate principal amount of the Series 2016A
7 Refunding Bond be and the same is hereby accepted, at a total interest cost of \$257,064.57 and no premium.

8 Section 4. That the Series 2016A Refunding Bond described above is hereby awarded to Branch Banking
9 & Trust Company, at the price named in their bid, and the Series 2016A Refunding Bond, when prepared in
10 definitive form, shall be duly executed as required by law and delivered to and registered in the name of Branch
11 Banking & Trust Company upon receipt of the total purchase price for the issue of the Series 2016A Refunding
12 Bond including premium (if any), plus accrued interest, to secure their bid which has been accepted, said purchase
13 price for the Series 2016A Refunding Bond to be paid pursuant to instructions by the Director of Finance of the
14 City of Aberdeen.

15 Section 5. That the aggregate principal amount of the Series 2016A Refunding Bond as provided in the
16 Request for Proposals, as adjusted by the Director of Finance, based upon the recommendation of the City's
17 Financial Advisor, is hereby determined to be Two Million Three Hundred Eighteen Thousand Three Hundred
18 Dollars (\$2,318,300.00) and the final principal amount of each maturity, payable on November 1 of each year, as
19 provided in the Request for Proposals, is determined to be:

<u>Year of Maturity</u>	<u>Principal Amount</u>
2016	\$20,900
2017	\$113,500
2018	\$240,700
2019	\$244,400
2020	\$247,600
2021	\$254,200
2022	\$258,300
2023	\$266,500
2024	\$219,900
2025	\$224,100
2026	\$228,200

Section 6. That the Series 2016A Refunding Bond shall bear interest at the following rates:

<u>Years of Maturity (Inclusive)</u>	<u>Rate</u>
2016	1.840%
2017	1.840%
2018	1.840%
2019	1.840%
2020	1.840%
2021	1.840%
2022	1.840%
2023	1.840%
2024	1.840%
2025	1.840%
2026	1.840%

Section 7. That the interest rates, as set forth in Section 6 hereof, are hereby fixed and adopted as and for the interest rates payable on the Series 2016A Refunding Bond.

Section 8. That the proper officers of the Mayor and City Council of Aberdeen, are hereby authorized to return the certified or other checks or good faith deposit or financial surety bond received with the bids or proposals for the Series 2016A Refunding Bond not hereby accepted.

Section 9. The Series 2016A Refunding Bonds which mature before November 1, 2022 are not subject to redemption prior to maturity, and the Series 2016A Refunding Bonds which mature on or after November 1, 2022

are subject to redemption, in whole, on any interest (May 1 or November 1) or principal (November 1) payment date, at par, beginning November 1, 2021.

Section 10. That the Director of Finance shall be the Paying Agent and Registrar for the Series 2016A Refunding Bond.

Section 11. That the proceeds of sale of the Series 2016A Refunding Bond shall be to redeem certain outstanding maturities of Infrastructure Bond, Series 2004 and Infrastructure Bond, Series 2007, and the balance shall be deposited (after payment of such amounts of the cost of issuance as may be determined by the Director of Finance), by the Director of Finance with Manufacturers and Traders Trust Company, Escrow Agent, pursuant to an Escrow Deposit Agreement to be executed.

Section 12. That the Series 2016A Refunding Bond shall be executed in the name of the Mayor and City Council of Aberdeen by the facsimile signature or manual signature of the Mayor attested by the facsimile signature or manual signature of the Clerk of Aberdeen and a facsimile (or manual) of the corporate seal of the Mayor and City Council of Aberdeen shall be imprinted on the Series 2016A Refunding Bond pursuant to Sections 2-301 through 2-306, inclusive, of the State Finance and Procurement Article of the Annotated Code of Maryland (2007 Replacement Volume, 2015 Supplement) and authenticated by the Bond Registrar and the Series 2016A Refunding Bond shall be in substantially the form attached hereto as Exhibit C with such changes as may be approved by the Director of Finance, which form, together with all covenants therein contained, is adopted as and for the form of obligation to be incurred by the Mayor and City Council of Aberdeen.

Section 13. That the Mayor is authorized to enter into a Continuing Disclosure Agreement substantially in the form attached hereto as Exhibit D for the benefit of the owners and beneficial owners of the Series 2016A Refunding Bond and to assist participating underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 14. That the Mayor and/or the Director of Finance is authorized to designate the Series 2016A Refunding Bond as a “qualified tax exempt obligation” as provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 15. That the full faith and credit and unlimited taxing power of the Mayor and City Council of Aberdeen are pledged to the levy and collection of taxes to provide funds for the payment of the principal of, premium (if any) and interest on the Series 2016A Refunding Bond.

Section 16. In all events, the full faith and credit and unlimited taxing power of the Mayor and City Council of Aberdeen are pledged to pay the principal, interest and premium on the Series 2016A Refunding Bond.

Section 17. 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

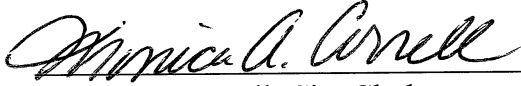
Sandra J. Landbeck, Councilwoman

~~Timothy W. Lindecamp, Councilman~~

Melvin T. Taylor, Councilman

1
2 ATTEST:

SEAL:

3 
4 _____

5 Monica A. Correll, City Clerk

6
7 Date: June 6, 2016

8
9 ADOPTED: June 6, 2016
10

EXHIBIT A

FINANCIAL ADVISOR REPORT

Summary of Bids Received
Series 2016A Bond


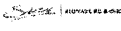
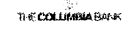






	Pinnacle Public Finance	Signature Public Finance	The Columbia Bank	BB&T	Huntington Public Capital Corporation	Capital One Public Funding	M&T Bank	SunTrust	Howard Bank
									
Series:	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)	2016A (Tax-Exempt)
Transaction Amount:	\$2,323,700	\$2,323,700	\$2,323,700	\$2,323,700	\$2,323,700	\$2,323,700	\$2,323,700	\$2,323,700	\$2,323,700
Final Maturity	11/1/2026	11/1/2026	11/1/2026	11/1/2026	11/1/2026	11/1/2026	11/1/2026	11/1/2026	11/1/2026
Drawdown	All at Closing	All at Closing	All at Closing	All at Closing	All at Closing	All at Closing	All at Closing	All at Closing	All at Closing
Interest Rate	2.100%	2.160%	Variable (Indicative Rate 2.185%)	1.810%	2.290%	2.230%	2.160%	2.300% (with P-Card) 2.590% (without P-Card)	2.000%
Proposed Rate Firm?	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes
Proposed Rate Firm Through	June 15, 2016	June 15, 2016	N/A	June 30, 2016	June 10, 2016	June 18, 2016	N/A	Not Specified	June 10, 2016
Prepayment Provision	In whole @ 100% on or after 11/1/2019	In whole @ 102% before 11/1/2020 @ 101% on or after 11/1/2020	None Specified	In whole @ 100% after half the term has elapsed	11/1/2022-10/31/2024 @ 101% On or after 11/1/2024 @ 100%	On or after 11/1/21 @ 100%	In whole or in part @ 101% for first 5 years, @ 100% thereafter	Make Whole Provision	Anytime @ 100%
Fees/Costs	Lender's Counsel \$5,000	\$4,500	Commitment Fee: \$2,500 Lender Counsel Not Specified	Lender's Counsel: \$5,250	None	None	\$1,000	Origination Fee: \$2,000 Lender Counsel: \$4,500	\$2,500 Lender Counsel
Proposal Expiration	May 20, 2016	May 23, 2016	May 19, 2016	May 23, 2016	May 18, 2016	May 24, 2016	May 26, 2016	Not Specified	Not Specified
Other Notes:	Subject to Final Credit Approval; Subject to Gross Up Provision in the Event of Tax Status Change; Right to Assignment	Subject to Final Credit Approval	Subject to Final Credit Approval	Subject to Final Credit Approval	Subject to Final Credit Approval; Prepayment and Surrender Bond Structure not Permitted	Subject to Final Credit Approval; Direct Purchase	Subject to Final Credit Approval; Rate Fixed Two Days Prior to Closing	Events of Default subject to acceleration; Procurement Card (P-Card); Yield Maintenance	

EXHIBIT B

REQUEST FOR PROPOSALS

DAVENPORT & COMPANY
SINCE 1863
MEMBER: NYSE • FINRA • SIPC

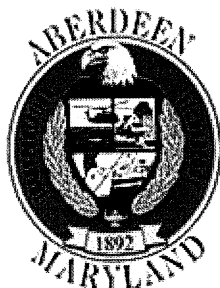
Davenport
Public Finance

Phone: 804-69

VIA EMAIL

REQUEST FOR PROPOSALS

May 2, 2016



Mayor and City Council of
The City of Aberdeen, Maryland

\$2,323,700* Tax-Exempt
General Obligation Public Improvement Refunding Bond, Series 2016A

AND

\$462,000* Taxable
General Obligation Public Improvement Refunding Bond, Series 2016B

Proposals Due: 11:00 a.m. Monday, May 16

In our capacity as Financial Advisor to The City of Aberdeen, a Maryland municipal corporation (the "City"), Davenport & Company LLC ("Davenport") is issuing this Request for Proposals (the "RFP") on behalf of the City for the purchase of its Tax-Exempt Public Improvement Refunding Bond, Series 2016A (the "Series 2016A Bond") and its Taxable Public Improvement Refunding Bond, Series 2016B (the "Series 2016B Bond", both collectively known as the "2016 Bonds").

1 The 2016 Bonds will be secured by the general obligation pledge of the City.

2 While the 2016 Bonds will not be rated, the City currently carries long-term credit ratings of AA+/AA
3 from S&P/Fitch.

4 Respondents may submit proposals for one or both of the 2016 Bonds, but no proposal for less than
5 the requested amount for each financing will be considered.

6
7 ** Estimates, Subject to Change.*

8 Purpose of the 2016 Bonds

9 The 2016A Bond is being issued to (a) currently refund for debt service savings all outstanding maturities
10 of the City's \$679,800 original par amount Maryland Department of Housing and Community
11 Development (such issuer hereinafter referred to as "CDA") Local Government Infrastructure Bonds,
12 2004 Series B (the "2004B CDA Bonds"), and (b) advance refund for debt service savings some or all
13 outstanding maturities of the City's \$3,084,500 original par amount CDA Local Government
14 Infrastructure Bonds, Series 2007 B (the "2007B CDA Bonds").

15 The 2016B Bond is being issued to currently refund for debt serving savings the City's \$1,000,000
16 original principal amount loan with SunTrust Bank (the "2005 Bond").

17 The City

18 The City is located in Harford County, in northeastern Maryland, and was incorporated in 1892. It is the
19 largest incorporated municipality in Harford County. The City has a total area of 6.4 square miles, all of it
20 land. Aberdeen is part of the Baltimore-Towson Metropolitan Statistical Area (MSA) and is a community
21 traversed by two interstate highways, Interstate 95 and route 40, and two rail lines, Amtrak and CSX. The
22 City is a full service municipality providing water and wastewater utilities, public safety, planning, public
23 works, and environmental and administrative services to a population of 14,959. The City is home to
24 Aberdeen Proving Ground, the U.S. Army's primary materiel testing and research facility.

25 The City's historical audited financials and adopted budgets can be found on the City's website at the
26 following links:

27 **Audited Financials:** [http://www.aberdeen-md.org/finance/pages/comprehensive-annual-financial-](http://www.aberdeen-md.org/finance/pages/comprehensive-annual-financial-reports-0)
28 [reports-0](http://www.aberdeen-md.org/finance/pages/comprehensive-annual-financial-reports-0)

29 **Adopted Budgets:** <http://www.aberdeen-md.org/finance/pages/budgets>

30 Respondents having questions related to any of the financial information of the City, or who would like to
31 request any additional information, are asked to contact the undersigned, who will work to facilitate a
32 timely response.

33 Each proposal is subject to review and approval by the City Council. This request for proposals is being
34 circulated in connection with a private sale of the 2016 Bonds for State law purposes. The City reserves
35 the right to reject any and all proposals for the 2016 Bonds, to negotiate with any proposer, to negotiate
36 with (and accept a proposal from) a potential purchaser that did not submit a proposal in response to this

request for proposals, to accept proposals that are not timely submitted, and to agree to terms and conditions different from those reflected in this request for proposals.

Your response to the RFP would be greatly appreciated. The following key assumptions are to be utilized in preparing your proposal(s):

Key Assumptions:

Issuer: The City of Aberdeen, Maryland.

Tax Treatment:

2016A Bond: Fully Tax-Exempt.

2016B Bond: Taxable.

Bank Qualification:

2016A Bond: Bank Qualified.

2016B Bond: Non-Bank Qualified.

Approximate Par Amount*:

2016A Bond: \$2,323,700

2016B Bond: 462,000

\$2,785,700

Credit: The 2016 Bonds and payment of the principal and interest thereon, will be the general obligations of the City and will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the City.

Rating: None applied for, however, the City currently carries long-term credit ratings of AA+ and AA from Standard and Poor's, and Fitch, respectively.

Final Maturity Date:

2016A Bond: November 1, 2026.

2016B Bond: November 1, 2024.

Principal:

Principal due annually, beginning November 1, 2016 and continuing to Final Maturity per the amortization schedule on the following page.

No Gross-up, Etc.

The City will not agree to any break funding fees, late fees or penalties, or gross-up or yield maintenance provisions. The 2016 Bonds will not be subject to acceleration.

Interest:

Interest due semi-annually, beginning November 1, 2016 and continuing to Final Maturity.

Interest Rate: Please provide a fixed-rate quote at a price of not less than par to Final Maturity for the 2016 Bonds corresponding to the amortization provided on the following page. Since this is a refunding, no variable rate or interest rate resets will be permitted.

Amortization: See attached EXHIBIT 1 for the preliminary amortizations* for the 2016A and 2016B Bonds. Note, since this is a refunding, the final structure will likely differ

1 from the attached, though not materially.
2

3 *Optional Redemption:* The City is looking for maximum flexibility. Please specify the call structure
4 that would provide the City with the most flexibility at the lowest cost
5 of funds.

6 *Drawdown:* All funds for the 2016 Bonds will be drawn at closing. \$1,924,033.21 paid to M & T
7 Bank, Escrow Agent to redeem the 2007B CDA Bonds due on June 1,
8 2017.

9 *Bank Closing Costs:* None anticipated to be paid by the City. Please specify any exceptions (including
10 any fees for bank counsel).
11

12

* Estimates, Subject to Change.

13 *Annual/Ongoing Fees:* None anticipated to be paid by the City. Please specify any exceptions.

14 *Opinion of Bond Counsel:* Bond Counsel to the City, Royston, Mueller, McLean & Reid, LLP, will
15 provide the necessary opinion.

16 *Ongoing Disclosure:* The City will provide annual audited financial statements within 275 days after
17 the end of each fiscal year as long as the 2016 Bonds are outstanding.
18 Please specify additional requirements.

19 *Direct Bank Loan:* Proposals are requested for the issuance of a direct bank loan for the 2016A &
20 2016B Bonds, each with a single financial institution. The successful
21 offeror of each series will be expected to provide a letter in form
22 satisfactory to the City and its Bond Counsel regarding the qualifications
23 of the buyer and stating that the 2016 Bonds are being purchased as an
24 investment with no intention of sale or distribution. No formal offering
25 material will be prepared, although offerors should feel free to direct any
26 questions about the City or its finances to the undersigned.

27 *Sale:* City Staff, in consultation with Davenport & Company, will determine which offeror for the 2016
28 Bonds offers to provide the financing on terms most favorable to the City,
29 which may include the lowest cost to the City, taking into account any
30 fees or expenses to be paid and prepayment rights. The City Council has
31 enacted an ordinance authorizing the issuance of the 2016 Bond, which
32 will be effective on Monday, May 16, 2016. In accordance with such
33 ordinance, details of the 2016 Bonds are expected to be fixed by a
34 resolution of the City Council adopted on Monday, May 23, 2016 (subject
35 to the ordinance becoming effective). If you require the City enter into a
36 term sheet or commitment letter, the deadline for execution of the same
37 by the City must be no earlier than Tuesday, May 24, 2016. The City is
38 requesting that rates and terms be held firm through Friday, June 10,
39 2016.

Delivery of the 2016 Bonds *With respect to the 2016 Bonds, the City will deliver at closing:*

1. The 2016 Bonds;
2. An approving opinion of bond counsel regarding the validity of the 2016 Bonds and the status of interest on the 2016 Bonds, and a reliance letter addressed to the purchaser;
3. A no litigation certificate of the City Attorney;
4. A certificate or certificates as to the signature authority and incumbency of City officials and authorization of the 2016 Bonds;
5. A certificate of the City acknowledging receipt of the purchase price of the 2016 Bonds; and
6. A representation letter as to the financial condition of the City and future delivery of the basic audited financial statements.
7. No litigation certificate.
8. Because the 2016 Bonds will be a general obligation of the City, the City will not deliver a loan agreement or other security document to the purchaser, other than the 2016 Bonds, or pledge any collateral.

Closing: Closing for the 2016 Bonds is expected to take place by **Friday, June 10, 2016** and will be facilitated by Royston, Mueller, McLean & Reid, LLP, Bond Counsel to the City. The opinion of Bond Counsel will be delivered at closing, without cost to the purchaser of the Bonds.

Please specify any other terms or conditions that would impact the proposed structure of the bond issue.
The preliminary timetable for action is as follows:

<u>Date</u>	<u>Action</u>
Monday, May 2	RFP is distributed by Davenport to interested lenders.
Monday, May 16	RFP responses due back to Davenport by 11:00 a.m.
	Effective date of legislation authorizing 2016 Bonds.
Week of May 16	Negotiate with potential purchasers of the 2016 Bonds.
Monday, May 23	City Council Meeting for adoption of Bond Resolution.
By Friday, June 10	Close on the 2016 Bonds.

Please note that the above time schedule is preliminary and subject to change.

Inquiries

All inquiries concerning clarification of this RFP must be made to Davenport via phone or e-mail. As it is expected that each firm may have different needs for information, it is incumbent on each firm to make whatever inquiries it deems necessary in order to respond to the RFP. Any contact initiated by any banking institution with the City's officials, staff or Bond Counsel concerning this RFP is prohibited. Any such unauthorized contact may cause the disqualification of the respondent from consideration.

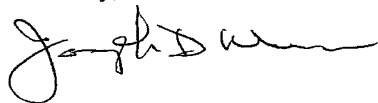
Submission of Proposals

By submitting proposals for the 2016 Bonds, we are anticipating that the issue has received final or near final credit approval by your banking institution and that your banking institution is ready and able to provide the financing for the 2016 Bonds should it be selected as the winning offeror. If this financing requires additional credit approval(s) after submission of your response, please clearly indicate in your response the process by which these additional approvals will be obtained, the timing of receiving these approvals, and any additional information that will need to be provided by the City.

We look forward to your response by 11:00 a.m. on Monday, May 16, 2016. Responses should be e-mailed to Joe Mason (jmason@investdavenport.com), Sam Kettermann (skettermann@investdavenport.com), and Peter Lind (plind@investdavenport.com).

Please direct requests for further information and/or questions to the undersigned. Thank you in advance for your interest in supporting the City of Aberdeen.

Sincerely,



Joseph D. Mason
Senior Vice President
Davenport Public Finance

cc: Opiribo Jack, Director of Finance, *City of Aberdeen, Maryland*
Sam Kettermann, Senior Vice President, *Davenport & Company*
Peter Lind, Analyst, *Davenport & Company*
Steve Winter, Esq., Bond Counsel, *Royston, Mueller, McLean & Reid, LLP*.

Attachment 1

The Preliminary Amortization for the 2016 Bonds is as follows:

2016A (Tax-Exempt)		2016B (Taxable)	
Due November 1	Principal Amount*	Due November 1	Principal Amount*
2016	23,700	2016	40,800
2017	139,400	2017	54,700
2018	235,600	2018	54,100
2019	239,900	2019	53,600
2020	243,800	2020	53,000
2021	251,000	2021	52,400
2022	255,700	2022	51,800
2023	264,500	2023	51,100

2024	218,600	2024	50,500
2025	223,400	Total	\$462,000
2026	228,100		
Total	\$2,323,700		

**Please note these amounts are preliminary estimates and subject to change.*

DISCLAIMER

The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

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The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a

1 material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the
2 projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or
3 calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future
4 events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or
5 performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without
6 the prior written consent of Davenport.
7

8 Version 4/26/2016 -/JM/SK
9

1 **EXHIBIT C**

2 THIS BOND HAS BEEN DESIGNATED AS A “QUALIFIED TAX EXEMPT OBLIGATION”

3 UNDER SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS

4 AMENDED

5 UNITED STATES OF AMERICA

6 STATE OF MARYLAND

7 MAYOR AND CITY COUNCIL OF ABERDEEN, MARYLAND

8 CITY OF ABERDEEN REFUNDING BOND, SERIES 2016A

9 Registered Owner: _____
10 (Dated: June 10, 2016)

11 No. R-1

12 MAYOR AND CITY COUNCIL OF ABERDEEN, a body politic and corporate, organized
13 and existing under the Constitution and laws of the State of Maryland (the “City”), hereby
14 acknowledges itself indebted and, for value received, promises to pay to the registered owner or
15 registered assignees of this bond, the principal sum of Two Million Three Hundred Eighteen
16 Thousand Three Hundred Dollars (\$2,318,300.00) in the amounts and on the dates described in
17 Schedule 1 upon presentation and surrender of this bond and to pay interest thereon, from the date of
18 this bond at the rate of one and eighty-four hundredths percent (1.840%) per annum until payment of
19 said principal sum, such interest to the maturity hereof being payable on November 1, 2016, and
20 semiannually thereafter on the 1st day of May and November in each year by check or draft of the
21 Paying Agent (hereinafter described) mailed to the registered owners of record on the registration
22 books of the Bond Registrar (hereinafter defined) on the fifteenth (15th) day of the month next
23 preceding the interest payment date, as interest becomes due and payable.

1 Both the principal of and interest on this bond will be paid in lawful money of the United
2 States of America, at the time of payment, at the principal office of the Director of Finance of the
3 City ("Paying Agent").

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

19 This bond is a duly authorized bond (the "Bond") aggregating Two Million Three Hundred
20 Eighteen Thousand Three Hundred Dollars (\$2,318,300.00) in principal amount. The Bond matures
21 serially in installments on the 1st day of November in each of the years 2016 to 2026, inclusive, as
22 follows:
23

<u>Year of</u>	<u>Principal</u>	<u>Year of</u>	<u>Principal</u>
<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>
2016	\$ 20,900		
2017	\$113,500	2022	\$258,300
2018	\$240,700	2023	\$266,500
2019	\$244,400	2024	\$219,900
2020	\$247,600	2025	\$224,100
2021	\$254,200	2026	\$228,200

The Bond 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 Mayor and City Council of Aberdeen, particularly Ordinance 16-O-11 enacted by the City Council on April 25, 2016, effective May 16, 2016 and a Resolution adopted by the City Council on June 6, 2016.

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

The principal of the Bond which matures before November 1, 2022 is not subject to redemption prior to their maturities. The principal of the Bond which matures on or after November 1, 2022, is subject to redemption, in whole, on any interest or principal payment date, at par, beginning November 1, 2021.

No covenant or agreement contained in this bond 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 Aberdeen nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist,

1 to be done, to have happened and to be performed precedent to and in the issuance of this bond, does
2 exist, has been done, has happened and has been performed in full and strict compliance with the
3 Constitution and laws of the State of Maryland, the Charter and Code of Mayor and City Council of
4 Aberdeen and the Ordinance and Resolution above referred to, and that the issue of Bond of which
5 this is one, together with all other indebtedness of the City, is within every debt and other limit
6 prescribed by the Constitution and laws of said State and the Charter and Code of Mayor and City
7 Council of Aberdeen, and that due provision has been made for the levy and collection, if and when
8 necessary, of an annual *ad valorem* tax or taxes upon all the legally assessable property within the
9 corporate limits of the City, as prescribed by law, in rate and amount sufficient to provide for the
10 payment, when due, of the interest on and the principal of this bond.

11 IN WITNESS WHEREOF the City, has caused this bond to be executed in its name by the
12 manual or facsimile signature of the Mayor, which signature has been imprinted thereon, and has
13 also caused of its corporate seal or a facsimile thereof to be imprinted or otherwise reproduced
14 hereon, attested by the manual or facsimile signature of the Clerk, and the manual signature of an
15 authorized officer of the Bond Registrar, all as of the _____ of _____, 2016.

16 ATTEST:

MAYOR AND CITY COUNCIL
OF ABERDEEN

17
18
19 _____
20 Monica Correll
21 City Clerk
22
23
24

By: _____
Patrick L. McGrady
Mayor

(SEAL)

CERTIFICATE OF AUTHENTICATION

This bond is a registered bond of the Mayor and City Council of Aberdeen Refunding Bond,
Series 2016A.

Authorized Officer

(Form of Registration)

(No writing hereon except by the Bond Registrar.)

Date of Registry

Name of Registered Holder

Registered By

PAYMENT GRID

1				
2				
3				
4	<u>Date of</u>	<u>Principal</u>	<u>Principal</u>	<u>Holder</u>
5	<u>Payment</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>	<u>Signature</u>
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1 ASSIGNMENT

2
3 FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

4 _____
5 (please insert name and address of the assignee)
6
7 _____

8
9 (Tax Identification or Social Security No. _____)

10
11 the within bond, and hereby irrevocably constitutes and appoints _____,

12 attorney to transfer the within bond on the books kept for registration thereof, with full power of

13 substitution in the premises.

14 Date: _____

15 Signature guaranteed: _____

16
17 _____
18 NOTICE: Signature must be
19 guaranteed by a member firm of the
20 New York Stock Exchange or a
21 commercial bank or trust company

22 _____
23 NOTICE: The signature on this
24 Assignment must correspond with
25 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.

\$2,318,300.00
Series 2016A Refunding Bonds
Principal Payment Schedule

<u>Year of Maturity</u>	<u>Principal Amount</u>
2016	\$ 20,900
2017	\$113,500
2018	\$240,700
2019	\$244,400
2020	\$247,600
2021	\$254,200
2022	\$258,300
2023	\$266,500
2024	\$219,900
2025	\$224,100
2026	\$228,200

1 **EXHIBIT D**

2 **FORM OF CONTINUING DISCLOSURE AGREEMENT**

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\$2,318,300.00
CITY OF ABERDEEN
Refunding Bonds, Series 2016A

\$459,700.00
CITY OF ABERDEEN
Refunding Bonds, Series 2016B

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the City of Aberdeen (the “City”) in connection with the issuance of its \$2,318,300.00 Refunding Bonds, Series 2016A (Tax Exempt) and its \$459,700.00 Refunding Bonds, Series 2016B (Taxable) (collectively, the “Bonds”). The City, intending to be legally bound hereby, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

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

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

“**EMMA System**” means the MSRB’s Electronic Municipal Market Access System, or such other electronic system designated by the MSRB.

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

“**MSRB**” shall mean the Municipal Securities Rulemaking Board. To the extent the Rule is amended to refer to any additional or different repositories, references in this Disclosure Agreement to the MSRB shall be deemed to include such additional or different repositories to the extent required by the Rule.

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

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange

Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information. (a) The City shall provide to the MSRB, through the EMMA System, annual financial information and operating data as set forth in Schedule A to this Disclosure Agreement, such information and data to be updated as of the end of the preceding fiscal year, except as indicated on Schedule A, and made available within 275 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2015.

(b) The City shall provide to the MSRB, through the EMMA System, annual audited financial statements of the City, such information to be made available within 275 days after the end of the City's fiscal year, commencing with the fiscal year ending June 30, 2015 unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the City's fiscal year (commencing with the fiscal year ending June 30, 2015), the City will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds, provided that the City may modify the accounting principles utilized in the presentation of financial information by amending the Disclosure Agreement pursuant to the provisions of Section 6 hereof. Changes in generally accepted accounting principles, where applicable to information to be provided by the City, shall not require the City to amend this Disclosure Agreement.

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

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

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

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

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

- 1
2 (i) principal and interest payment delinquencies;
3 (ii) non-payment related defaults;
4 (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
5 (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
6 (v) substitution of credit or liquidity providers, or their failure to perform;
7 (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
8 (vii) modifications to rights of Bond holders;
9 (viii) Bond calls;
10 (ix) defeasances;
11 (x) release, substitution, or sale of property securing repayment of the Bonds; and
12 (xi) rating changes.
13

14 (b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the
15 City shall as soon as possible determine if such event would constitute material information for
16 owners of Bonds. If the Listed Event constitutes material information for owners of Bonds, the City
17 shall promptly file a notice of such occurrence with the MSRB;
18

19 (c) All information provided to the MSRB pursuant to this Section 4 shall be in an
20 electronic format as prescribed by the MSRB through the EMMA System.
21

22 **Section 5. Termination of Reporting Obligations.** The City's obligations under this
23 Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their
24 maturity or by early redemption. In addition, the City may terminate its obligations under this
25 Disclosure Agreement if and when the City no longer remains an obligated person with respect to the
26 Bonds within the meaning of the Rule.
27

28 **Section 6. Amendment.** This Disclosure Agreement may be amended by the City in its
29 discretion provided that (i) the amendment may only be made in connection with a change in
30 circumstances that arises from a change in legal requirements, change in law, or change in the
31 identity, nature, or status of the City as the obligated person with respect to the Bonds, or type of
32 business conducted; (ii) the Disclosure Agreement, as amended, would have complied with the
33 requirements of the Rule at the time of the issuance of the Bonds, after taking into account any
34 amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the
35 amendment does not materially impair the interests of holders of the Bonds, as determined by
36 counsel selected by the City that is experienced in federal securities law matters, or by an approving
37 vote of the holders of 25% of the outstanding aggregate principal amount of the Bonds. The reasons
38 for any amendment and the impact of the change in the type of operating data or financial
39 information being provided will be explained in information provided with the annual financial
40 information containing the amended operating data or financial information.
41

42 **Section 7. Additional Information.** Nothing in this Disclosure Agreement shall be deemed
43 to prevent the City from disseminating any other information, using the means of dissemination set
44 forth in this Disclosure Agreement or any other means of communication, or including any other
45 information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a

1 Listed Event in addition to that which is required by this Disclosure Agreement. If the City chooses
2 to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of
3 occurrence of a Listed Event in addition to that which is specifically required by this Disclosure
4 Agreement, the City shall have no obligation under this Disclosure Agreement to update such
5 information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or
6 notice of occurrence of a Listed Event.
7

8 **Section 8. Law of Maryland.** This Disclosure Agreement, and any claim made with respect
9 to the performance by the City of its obligations hereunder, shall be governed by, subject to, and
10 construed according to the laws of the State of Maryland or the federal law of the United States of
11 America.
12

13 **Section 9. Limitation of Forum.** Any suit or other proceeding seeking redress with regard
14 to any claimed failure by the City to perform its obligations under this Disclosure Agreement must be
15 filed in the Circuit Court for Harford County, Maryland.
16

17 **Section 10. Limitation on Remedies.** The City shall be given notice at the address set forth
18 below of any claimed failure by the City to perform its obligations under this Disclosure Agreement,
19 and the City shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding
20 seeking further redress with regard to any such claimed failure by the City shall be limited to specific
21 performance as the adequate and exclusive remedy available in connection with such action. Written
22 notice to the City shall be given to the Director of Finance, 60 North Parke Street, Aberdeen,
23 Maryland 21001 or at such other alternate address as shall be specified by the City with disclosures
24 made pursuant to Section 3(a) or (b) hereof or a notice of occurrence of a Listed Event.
25

26 **Section 11. Relationship to Bonds.** This Disclosure Agreement constitutes an undertaking
27 by the City that is independent of the City's obligations with respect to the Bonds; any breach or
28 default by the City under this Disclosure Agreement shall not constitute or give rise to a breach or
29 default under the Bonds.
30

31 **Section 12. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the
32 owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other
33 person or entity.
34

35 **Section 13. MSRB Requirements.** All documents provided to the MSRB pursuant to this
36 Disclosure Agreement and the Rule shall be accompanied by identifying information as prescribed
37 by the MSRB.
38

39 **Section 14. Counterparts.** This Disclosure Agreement may be executed in several
40 counterparts, each of which shall be an original and all of which shall constitute one and the same
41 instrument.
42

43 **IN WITNESS WHEREOF,** this Continuing Disclosure Agreement is being executed on
44 behalf of the City of Aberdeen as of this ____ day of _____, 2016.
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(SEAL)

CITY OF ABERDEEN

ATTEST/WITNESS:

By: _____
Patrick L. McGrady
Mayor

By: _____
Kyle Torster
Acting City Manager

By: _____
Opiribo Jack
Director of Finance

Schedule A

- (1) General Fund Summary of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
- (2) Assessed Values, Tax Rates, Tax Levies and Collections
- (3) Bonded Debt
- (4) Schedule of Revenues and Expenditures Compared to Budget