

**COUNCIL OF THE CITY OF ABERDEEN**  
**Ordinance No. 10-O-14**

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<b>Introduced By:</b>	<b>Mayor Michael E. Bennett</b>
<b>Date Introduced:</b>	<b>August 23, 2010</b>
<b>Date Adopted:</b>	<b>September 13, 2010</b>
<b>Date Effective:</b>	<b>October 3, 2010</b>

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**ORDINANCE NO. 10-O-14**

**WATER QUALITY BOND, SERIES 2010**

**AUGUST 23, 2010**

AN ORDINANCE TO AUTHORIZE AND EMPOWER THE CITY OF ABERDEEN, A MUNICIPAL CORPORATION OF THE STATE OF MARYLAND (THE "CITY"), TO ISSUE UPON THE FULL FAITH AND CREDIT OF THE CITY TWO GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000), TO BE DESIGNATED AS "CITY OF ABERDEEN WATER QUALITY BOND, SERIES 2010A" AND, "CITY OF ABERDEEN WATER QUALITY BOND, SERIES 2010B" (COLLECTIVELY, THE "BOND"), PURSUANT TO THE AUTHORITY OF SECTIONS 31 THROUGH 37, INCLUSIVE OF ARTICLE 23A OF THE ANNOTATED CODE OF MARYLAND (2005 REPLACEMENT VOLUME AND 2009 SUPPLEMENT), SECTIONS 9-1601 THROUGH 9-1622 INCLUSIVE OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND (2007 REPLACEMENT VOLUME AND 2009 SUPPLEMENT), AND THE CHARTER OF THE CITY, TO FINANCE OR REFINANCE THE COSTS OF THE CONSTRUCTION OF ENHANCED NUTRIENT REMOVAL (ENR) UPGRADES, EXPANSION AND IMPROVEMENTS TO THE CITY'S WASTE WATER TREATMENT PLANT, TOGETHER WITH RELATED COSTS AND THE COSTS OF ISSUANCE; PRESCRIBING, APPROVING AND ADOPTING THE FORM AND TENOR OF THE BONDS, THE TERMS AND CONDITIONS FOR THE ISSUANCE AND SALE OF THE BONDS BY PRIVATE SALE WITHOUT PUBLIC BIDDING TO THE MARYLAND WATER QUALITY FINANCING ADMINISTRATION (THE "ADMINISTRATION") AND ALL OTHER DETAILS INCIDENT THERETO; AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY, TO ADJUST AND DETERMINE CERTAIN DETAILS OF THE BONDS, INCLUDING DETERMINING THE FINAL PRINCIPAL AMOUNT OF THE BONDS AND CERTAIN OTHER MATTERS AS PROVIDED HEREIN; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS WITH THE ADMINISTRATION PURSUANT TO WHICH ADVANCES WILL BE MADE UNDER THE BONDS; PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE

PAYABLE IN THE FIRST INSTANCE FROM REVENUES RECEIVED BY THE CITY FROM A DEDICATED SOURCE; PROVIDING FOR THE LEVYING AND COLLECTION OF AD VALOREM TAXES SUFFICIENT FOR THE PROMPT PAYMENT OF INSTALLMENTS OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING AND DIRECTING THE MAYOR AND OTHER OFFICIALS OF THE CITY TO TAKE ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE SALE AND DELIVERY OF THE BONDS; GENERALLY PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS; AND REPEALING ORDINANCE NO. 10-O-09, PASSED BY THE COUNCIL OF THE CITY ON JUNE 14, 2010.

## RECITALS

WHEREAS, the City of Aberdeen, a municipal corporation of the State of Maryland (the “City”), is authorized and empowered pursuant to Sections 31 through 37, inclusive, of Article 23A of the Annotated Code of Maryland (2005 Replacement Volume and 2009 Supplement) (“Article 23A”), Sections 9-1601 through 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland (2007 Replacement Volume and 2009 Supplement) (the “WQFA Act”), and the Charter of the City (the “Charter”), to issue its general obligation bond or bonds to be designated as “City of Aberdeen Water Quality Bond, Series 2010A” (the “Series 2010A Bond”) and “City of Aberdeen Water Quality Bond, Series 2010B” (the “Series 2010B Bond,” together with the Series 2010A Bond, collectively, the “Bonds”) in the aggregate principal amount not to exceed \$10,000,000 to finance and refinance the costs of the planning, design and construction for the Enhanced Nutrient Removal (ENR) at the existing 4.0 million gallons per day (mgd) City of Aberdeen Advanced Wastewater Treatment Plant (WWTP) to achieve effluent concentration goals of 3 mg/l for Total Nitrogen and 0.3 mg/l for Total Phosphorous, together with the costs of issuance and other related costs (the “Project”);

WHEREAS, the public purposes for which the proceeds of the Bonds are authorized to be spent, the amounts (or maximum amounts) authorized to be spent for each such public purpose, are a portion of the cost for the Project;

WHEREAS, the WQFA Act, which established the Maryland Water Quality Financing Administration (the “Administration”) and authorized a state water pollution control revolving fund (“SRF”), authorizes the Administration to make a loan from the SRF to a “local government” (as defined in the WQFA Act) for the purpose of financing all or a portion of the costs of a “wastewater facility” (as defined in the WQFA Act);

WHEREAS, the City is a “local government” within the meaning of the WQFA Act;

WHEREAS, pursuant to Section 9-1606(a) and (b) of the WQFA Act, the City desires to issue and sell its Bond(s) to the Administration at private sale without public bidding and based on the findings set forth hereinabove, the City has determined that it is in the best interest of the City to authorize and execute two Loan Agreements (as defined below) and to sell the Bond(s) at private negotiated sale to the Administration;

WHEREAS, the City has determined to enact this Ordinance in order to provide for the issuance and sale, the designation, form, tenor, denomination, maturity or maturities, and the rate or rates of interest payable upon the Bond(s), and to provide for the levy annually of *ad valorem* taxes upon the assessable property within the City sufficient, together with other taxes and other available funds to provide for the payment of the interest on and principal of the Bond(s) issued under this Ordinance;

WHEREAS, the Bond(s) issued hereunder is within the legal limitations on the indebtedness of the City;

WHEREAS, the final aggregate principal amount of Bond(s) together with certain details of the Bond(s), including, but not limited to, the form of the Bond(s), the form of various documents as are necessary to implement the financing authorized by this Ordinance, maturity schedule, interest rate or rates, redemption provisions, date of sale, manner of sale (if different from private (negotiated) sale), and purchaser, and appointment of escrow deposit agent if necessary for the Bond, shall be determined as provided herein;

WHEREAS, the City intends to repeal Ordinance No. 10-O-09, previously passed on June 14, 2010.

NOW, THEREFORE, in accordance with the provisions of the Article 23A, the WQFA Act, and the Charter, be it enacted by the Council of the City that:

SECTION 1. All terms defined in the foregoing recitals shall have the meanings given such terms herein.

SECTION 2. As a part or all of the aggregate indebtedness authorized by this Ordinance, the City shall borrow upon its full faith and credit and unlimited taxing power and issue its Bonds, each as a single, fully-registered bond in the maximum principal amount not to exceed Ten Million Dollars (\$10,000,000), designated as "City of Aberdeen Water Quality Bond, Series 2010A" and "City of Aberdeen Water Quality Bond, Series 2010B", pursuant to the authority of Article 23A, the WQFA Act, and the Charter for all or part of the Project, each of which shall constitute a "loan obligation" within the meaning of the WQFA Act. It is the intent of the City that not less than \$50,000 of the costs of the Project be reimbursed to the City out of such bond proceeds for certain costs incurred by the City prior to the adoption of this Ordinance.

SECTION 3. The Project shall constitute a "wastewater facility" within the meaning of Section 9-1601(ii) of the WQFA Act.

SECTION 4. Such borrowing and indebtedness of the City shall be made and incurred pursuant to Section 9-1606 and Section 9-1614(b) of the WQFA Act and in accordance with the provisions of one or more Loan Agreements between the City, as the Borrower, and the Administration (the "Loan Agreements"), the substantially final form of which is attached hereto as Exhibit A (the "Series 2010A Loan Agreement") and Exhibit B (the "Series 2010B Loan Agreement"), respectively, with such amendments, insertions, variations or revisions as may be deemed necessary or appropriate and acceptable to the Mayor of the City (the "Mayor") by Executive Order ("Executive Order") in accordance with the provisions of this Ordinance. The

City hereby approves the form of and authorizes the execution and delivery by the Mayor of the Loan Agreements set forth in Exhibit A and Exhibit B attached hereto, including all covenants and conditions set forth therein, with such amendments, insertions, variations or amendments as approved by the Mayor by Executive Order.

SECTION 5. In accordance with the Series 2010A Loan Agreement, the aggregate indebtedness of the Series 2010A Bond shall be in an amount not to exceed Eight Million Five Hundred Thousand Dollars (\$8,500,000) which shall be advanced in accordance with the provisions of the Series 2010A Loan Agreement between the City and the Administration, substantially in the form attached hereto as Exhibit A and made a part hereof. The Series 2010A Bonds shall be registered in the name of the Administration or its designee; shall be payable in principal sums and shall bear interest at such rate not to exceed Twenty-Five Percent (25%) of the average of The Bond Buyer 11 Bond Index for the month proceeding the delivery date of the Series 2010A Bond. The maturity of the Series 2010A Bond and the date of final maturity shall appear in the executed Series 2010A Bond. In no event shall the final date of maturity of the Series 2010A Bond exceed Twenty-Five (25) years from the date of issuance of the Series 2010A Bond.

The principal installments payable on the Series 2010A Bond, payment dates, the rate of interest to be borne by the Series 2010A Bond (or the manner of determining the principal payments and rate of interest), final maturity of the Series 2010A Bond, shall be described in Exhibit C subject to insertions and changes, if any, as may be determined and approved by the Mayor in the Executive Order, provided, however, in no event shall the principal amount of the Series 2010A Bond exceed \$8,500,000.00. Execution of the Series 2010A Bond by the Mayor shall constitute conclusive evidence of such approval. The City hereby approves the form of

Series 2010A Bond and authorizes execution and delivery of the Series 2010A Bond in substantially the form set forth in Exhibit C attached hereto as a part hereof, the maximum principal amount maturing and bearing interest as determined in the foregoing paragraph of this Section, including all covenants and conditions set forth in such form, and with such insertions, omissions or variations as may be deemed necessary or appropriate and approved by officials of the City executing the same.

SECTION 6. The remaining portion of the loan and the maximum principal amount determined in accordance with the Series 2010B Loan Agreement between the City and Administration, not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) shall be advanced in accordance with the terms and provisions of the Loan Agreement between the City and the Administration, substantially in the form attached hereto as Exhibit B and made a part hereof (“Series 2010B Loan Agreement”). The City hereby approves and authorizes the execution and delivery of the Series 2010B Loan Agreement substantially in the form set forth in Exhibit B attached hereto and made a part hereof and the Series 2010B Loan Agreement and all the covenants and conditions set forth therein hereby approved and adopted as the obligation of the City.

SECTION 7. In accordance with the Series 2010B Loan Agreement, the aggregate indebtedness of the Series 2010B Bond shall be in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) which shall be advanced in accordance with the provisions of the Series 2010B Loan Agreement between the City and the Administration, substantially in the form attached hereto as Exhibit B and made a part hereof. The Series 2010B Bond shall be registered in the name of the Administration or its designee; shall be payable in full on demand in principal sums and shall bear interest on demand at such default rate of interest

as set forth on the Series 2010B Bond. The maturity of the Series 2010B Bond and the date of final maturity shall appear in the executed Series 2010B Bond. In no event shall the final date of maturity of the Series 2010B Bond exceed Twenty-Five (25) years from the date of issuance of the Series 2010B Bond.

The principal installments payable on the Series 2010B Bond, payment dates, the rate of interest to be borne by the Series 2010B Bond (or the manner of determining the principal payments and rate of interest), final maturity of the Series 2010B Bond shall be described in the form of Series 2010B Bond, substantially in the form attached hereto as Exhibit D, subject to insertions and changes, if any, as may be determined and approved by the Mayor in the Executive Order, provided, however, in no event shall the principal amount of the Series 2010B Bond exceed \$1,500,000. Execution of the Series 2010B Bond by the Mayor shall constitute conclusive evidence of such approval. The City hereby approves the form of Series 2010B Bond and authorizes execution and delivery of the Series 2010B Bond in substantially the form set forth in Exhibit D attached hereto as a part hereof, the maximum principal amount maturing and bearing interest as determined in the foregoing paragraph of this Section, including all covenants and conditions set forth in such form, and with such insertions, omissions or variations as may be deemed necessary or appropriate and approved by officials of the City executing the same.

Pursuant to Title VI of the Federal Water Pollution Control Act of 1972 (the "Clean Water Act") P.L. 92-500, 33 U.S.C. Section 1251, et seq., as amended by the Water Quality Act of 1987, as further amended by H.R. 2996, 111TH CONG. (2009-2010), PUB. L. NO. 111-88, and the rules and regulations promulgated thereunder, and Section 9-1605(d)(8) of the Environment Article of the WQFA Act, as amended, the Administration shall forgive repayment of the principal amount of the portion of the loan evidenced by the Series 2010B Bond and the

interest payable thereon under Article III of the Series 2010B Loan Agreement, and the Series 2010B Bond so long as the City performs its other material obligations under the Series 2010B Loan Agreement. Upon determination by the Administration that any such other obligations under the Series 2010B Bond Loan Agreement has not been performed by the City, payment of the principal of the portion of the loan evidenced by the Series 2010B Bond and the interest thereon from the date of demand as set forth in the foregoing paragraph above, will be due and payable on demand. If the Administration has not demanded payment of the principal of and interest on the Series 2010B Bond by that date, which is the ten year anniversary of the date of issuance thereof, then the Administration shall be deemed to have forgiven repayment of the loan evidenced by the Series 2010B Bond and interest thereon, the Series 2010B Bond shall be deemed cancelled and the loan evidenced by the Series 2010B Bond and the Series 2010B Loan Agreement shall be deemed terminated and of no further force and effect.

SECTION 8. The City will also execute and deliver in connection with the issuance of the Bonds such other documents, agreements, instruments and certificates (the "Water Quality Documents") as the Mayor, upon advice of legal counsel, shall deem necessary or appropriate for the financing of the Project. The Loan Agreements, the Bonds and the Water Quality Documents are collectively referred to herein as the "Loan Documents". Because this Ordinance is being adopted before all of the details of the sale of the Bonds have been determined, the Mayor by Executive Order, pursuant to the powers reserved unto him under this Ordinance, is hereby authorized to make such changes to the form of the Loan Agreements and Bonds, including insertions therein or additions or deletions thereto, as he may deem necessary or appropriate to conform the terms of the Loan Agreements and Bonds to the terms of the financing to be provided to the City by the Administration; provided, however, that such

changes, additions or deletions are not in substance inconsistent with or contrary to the requirements set forth in this Ordinance, and the principal amount of the Bonds shall not exceed, in the aggregate, \$10,000,000.

SECTION 9. The Loan Agreements and the Bonds shall be executed on behalf of and in the name of the City by the Mayor, such execution to be made by the manual or facsimile signature of the Mayor. The corporate seal of the City shall be affixed to the Loan Agreements and to the Bonds, and each shall be attested by the manual signature of the City Clerk. If any officer whose signature shall appear on the Loan Documents shall cease to be such officer before the delivery of such Loan Documents, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. The Loan Documents, as executed by the Mayor, shall be valid and legally binding obligations of the City in accordance with their terms.

SECTION 10. Notwithstanding any section of Article 23A or the Charter, as authorized by Section 9-1606 of the WQFA Act, the Bonds may be sold at private sale to the Administration, public advertisement and sale of the Bonds not being required by the terms of the WQFA Act. Such private sale is determined to be in the best interests of the City.

SECTION 11. For the purpose of paying the maturing principal of and interest on the Series 2010A Bonds when due, the City has established, pursuant to Ordinance No. 10-0-06, a dedicated source of revenues, as shall be described in the Series 2010A Loan Agreement, entitled "ENR Fee" equal to an annual charge of \$76.56 for each single residential customer and an annual fee of \$76.56 for each Equivalent Dwelling Unit for commercial, institutional, industrial and all other sewer customers. In the event such revenues are insufficient to meet the debt service requirements in any fiscal year in which the Series 2010A Bond is outstanding, the City

shall first use other available water and sewer revenues to meet the debt service requirements and, in addition, in the event of a shortfall of such revenue to pay debt service on the Series 2010A Bond, the City shall levy in such fiscal year upon all real and tangible personal property within its jurisdictional limits, subject to assessment for unlimited taxation, *ad valorem* taxes in rate and amount sufficient to provide for the prompt payment of such principal and interest on the Series 2010A Bond in such fiscal year, and, if the proceeds from the collection of taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2010A Bond as and when they become due and payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Series 2010A Bond. The City hereby covenants and agrees with the registered owner of the Series 2010A Bond to levy and collect the taxes hereinabove described and to take any action that may be appropriate from time to time during the period that the Series 2010A Bond remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and interest due thereon.

SECTION 12. Upon determination by the Administration that any material obligations under the Series 2010B Loan Agreement have not been performed by the City, payment of the principal of the portion of the loan evidenced by the Series 2010B Bond and the interest thereon from the date of demand at the rate set forth in Section 7, will be due and payable on demand, and, in such case, the full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the principal of and interest on the Series 2010B Bond as and when they become due and payable and to the levy and collection of the taxes hereinabove described as and

when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Series 2010B Bond. The City hereby covenants and agrees with the registered owner of the Series 2010B Bond to levy and collect the taxes hereinabove described in such event and to take any action that may be appropriate from time to time during the period that the Series 2010B Bond remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and interest due thereon.

SECTION 13. The Bonds are being issued in connection with the Administration's Maryland Water Quality Revolving Loan Fund Program and will evidence the City's obligation to repay the obligations under the Loan Agreements. The Loan Agreements limit the ability of the City to prepay the Bonds in accordance with restrictions upon the ability of the Administration to redeem the Administration's revenue bonds if the loan is made from proceeds of the Administration's revenue bond issue. Accordingly, the City may prepay the Bonds only in accordance with the provisions of the Loan Agreements and the terms governing prepayment as set forth in the Bonds.

SECTION 14. The Mayor shall be the certifying official for the City responsible for the execution and delivery on the date of the issuance of the Bonds of a tax certificate and compliance agreement of the City that complies with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The Mayor is hereby authorized and directed to execute and deliver the tax certificate and compliance agreement to counsel rendering an opinion on the excludability from gross income of interest on the Bonds for purposes of federal income taxation on the date of the issuance of the Bonds. The tax certificate and compliance agreement shall set out the reasonable expectations of the City as to relevant facts, estimates and circumstances relating to the use of

the proceeds of the Bonds or of any moneys, securities or other obligations to the credit of any account of the City which may be deemed to be bond proceeds under Section 148 or the arbitrage regulations. The City covenants with the owner of the Bonds that the facts, estimates and circumstances set forth in the tax certificate and compliance agreement will be based on the City's reasonable expectations on the date of the issuance of the Bonds and will be, to the best of the certifying officials' knowledge, true, correct and complete as of that date.

SECTION 15. The City covenants and agrees with the registered owner of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bonds proceeds that would cause the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the arbitrage regulations. The City further covenants that it will comply with Section 148 of the Code and the regulations thereunder which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds. The City further covenants that it shall make such use of the proceeds of the Bonds, to the extent possible regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income, for federal income tax purposes, of interest on the Bonds. All officers, employees and agents of the City are hereby authorized and directed to take such actions, and to provide such certificates of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the City's compliance with, the covenants set forth in this Section.

SECTION 16. Authority is hereby conferred respectively on the Mayor, the City Manager, and the City Attorney, or any of them, and they are hereby directed to take the following actions on behalf of the City:

(a) to execute, acknowledge, seal and deliver the Loan Documents substantially in the forms determined administratively by the Mayor in the Executive Order; and

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

SECTION 17. The City hereby declares that it is in the public interest of the City that the issuance, sale and delivery of the Bond be exempt from the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland, as amended.

SECTION 18. The City covenants and agrees with the registered owners from time to time of the Bonds as follows:

(a) The City covenants that it will not make any use of the proceeds of the Bonds or any moneys, securities or other obligations on deposit to the credit of the City or otherwise which may be deemed by the Internal Revenue Service to be proceeds of the Bonds pursuant to the Code, and the regulations promulgated thereunder, which would cause any of the Bonds to be “arbitrage bonds” or “private activity bonds” within the meaning of the Code.

(b) The City further covenants that it will comply with those provisions of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or other obligations deemed to be proceeds, it is intended that the covenants of the City contained in this Section be construed so as to require the City to comply with the provisions of the Code only to the extent of such applicability.

(c) The City further covenants that it will not (i) take any action, (ii) fail to take any action, or (iii) make any use of the proceeds of the Bonds which would cause the interest on any of the Bonds to be or become subject to federal income taxes in the hands of the registered holders of the Bonds.

SECTION 19. The Treasurer of the City is hereby designated and appointed as bond registrar, paying agent and authenticating agent for the Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of the City for the registration and transfer of the Bonds.

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

The Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bond of the same maturity and of any other authorized denominations.

SECTION 20. In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute, and the Bond Registrar may authenticate, a new Bond of like date, maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; provided that, in the

case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed 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 Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Bond, the Bond Registrar may pay the same without surrender thereof. The City and the Bond Registrar may charge the registered owner of such Bond their expenses and reasonable fees, if any, in this connection.

SECTION 21. The provisions of this Ordinance are severable, and if any provision, sentence, clause, section or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, as if the person or circumstances to which this Ordinance or any part here are inapplicable had been specifically exempted therefrom.

SECTION 22. Ordinance No. 10-O-09, previously passed on June 14, 2010, is repealed and shall be of no force or legal effect.

SECTION 23. This Ordinance shall be effective twenty (20) days after passage.

**EXHIBIT A**

Form of Series 2010A Loan Agreement

**EXHIBIT B**

Form of Series 2010B Loan Agreement

**EXHIBIT C**

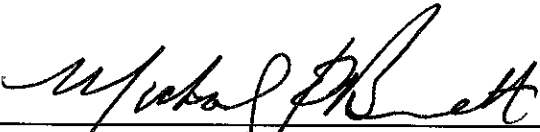
Form of Series 2010A Bond

**EXHIBIT D**

Form of Series 2010B Bond

**Ordinance No. 10-O-14  
Water Quality Bond, Series 2010**

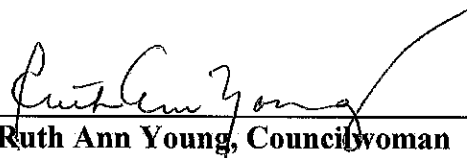
**COUNCIL OF THE CITY OF ABERDEEN**

  
\_\_\_\_\_  
**Michael E. Bennett, Mayor**

  
\_\_\_\_\_  
**Ruth E. Elliott, Councilwoman**

  
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**Bruce E. Garner, Councilman**

  
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**Sandra J. Landbeck, Councilwoman**

  
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**Ruth Ann Young, Councilwoman**

**ATTEST:**

**SEAL:**

  
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**Monica A. Correll, City Clerk**

Date: September 13, 2010