

1 **COUNCIL OF THE CITY OF ABERDEEN**
2 **Resolution No. 11-R-11**
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5 **Introduced by:** **Mayor Michael E. Bennett**
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7 **Date Introduced:** **October 10, 2011**
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9 **Date Adopted:** **October 10, 2011**
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11 **Date Effective:** **October 10, 2011**
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14 **RESOLUTION NO. 11-R-11**
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17 A RESOLUTION to authorize the issuance, sale and delivery by the City of Aberdeen (the
18 “City”) of its Bonds designated “City of Aberdeen Refunding Bonds, Series 2011” in the
19 aggregate principal amount not to exceed Nine Million Four Hundred Eighty-Five Thousand
20 Dollars (\$9,485,000) (the “Refunding Bonds”) pursuant to the provisions of Section 24 of
21 Article 31 of the Annotated Code of Maryland (2003 Replacement Volume; 2011 Supplement),
22 Sections 58 and 59 of the Charter of the City of Aberdeen (the “Charter”), and Ordinance No.
23 11-O-10 enacted by the Council of the City (the “Council”) on September 12, 2011, effective
24 October 2, 2011 (the “Refunding Ordinance”) for the purpose of financing the refunding of
25 certain maturities of the outstanding amounts of \$3,610,700 City of Aberdeen Infrastructure
26 Bond, 2000 Series A (the “Outstanding 2000 Bond”) issued pursuant to Resolution No. 565-00;
27 certain maturities of the outstanding amounts of \$4,812,700 City of Aberdeen Infrastructure
28 Bond, 2001 Series A (the “Outstanding 2001 Bond Series A-Tax Exempt”) issued pursuant to
29 Resolution No. 599-01, certain maturities of the outstanding amounts of \$1,930,000 City of
30 Aberdeen Infrastructure Bond 2001, Series B (the “Outstanding 2001 Bond Series B-Taxable”)
31 issued pursuant to Resolution No. 589-01 and certain maturities of \$1,045,800 City of Aberdeen

1 Infrastructure Bond, 2002 Series B1 (the “Outstanding 2002 Series B1 Bond”) issued pursuant to
2 Resolution No. 622-020 and certain maturities of \$2,091,200 City of Aberdeen Infrastructure
3 Bond, 2002 Series B2 (the “Outstanding 2002 Series B2 Bond”) issued pursuant to Resolution
4 No. 622-02 (the maturities to be refunded of the Outstanding 2000 Bond, the Outstanding 2001
5 Bond Series A-Tax Exempt, the Outstanding 2001 Bond Series B-Taxable, the Outstanding 2002
6 Bond Series B1 and the Outstanding 2002 Bond Series B2 are sometimes hereinafter referred to
7 collectively as the “Refunded Bonds”), and including accrued interest, premium where
8 applicable, and cost of issuance; confirming that the principal, premium (if any) and interest
9 thereon shall be general obligations of the City, secured by its full faith and credit and unlimited
10 taxing power; determining that the Refunding Bonds shall be sold by competitive bid; appointing
11 a bond registrar and paying agent for the Refunding Bonds, approving the substantially final
12 forms of various documents to be executed on behalf of the City in connection with the issuance,
13 sale and delivery of the Refunding Bonds; determining the date of sale; determining various
14 other matters in connection with the issuance, sale and delivery of the Refunding Bonds
15 (including, but not limited to, provision in the Notice of Sale for changes in the aggregate
16 principal amount of Refunding Bonds to be sold and changes in the principal amount to mature
17 in certain years); and

18 WHEREAS, the Refunding Ordinance authorized the issuance, sale and delivery of the
19 Refunding Bonds; and

20 WHEREAS, the Refunding Ordinance provided that certain matters, including but not
21 limited to maturity schedules, redemption features and premiums, designation of paying agents
22 and registrars, the date of sale, the form of notice of sale, and other matters may be determined
23 by an administrative resolution adopted by the Council of the City.

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

2 Section 1. Pursuant to the authority of the Refunding Ordinance and this Resolution, the
3 City is authorized to sell Refunding Bonds to redeem certain maturities of the Outstanding 2000
4 Bond, the Outstanding 2001 Bond Series A-Tax Exempt, the Outstanding 2001 Bond Series B-
5 Taxable, the Outstanding 2002 Bond Series B1 and the Outstanding 2002 Bond Series B2, such
6 bonds to be redeemed being described in a portion of Exhibit A attached hereto

7 Section 2. Pursuant to the authority of the Charter, the Refunding Ordinance and the
8 laws of the State of Maryland, the City shall also borrow money and incur indebtedness to
9 finance the costs of refunding certain maturities of the Outstanding 2000 Bond, the Outstanding
10 2001 Bond Series A-Tax Exempt, the Outstanding 2001 Bond Series B-Taxable, the Outstanding
11 2002 Bond Series B1 and the Outstanding 2002 Bond Series B2, as described in Exhibit A
12 attached to this Resolution, together with the financial, accounting, legal, bond counsel, financial
13 advisor, paying agent, registrar, redemption premium, and accrued interest expenses
14 (collectively, the “Cost of Redemption”), in the aggregate principal amount not to exceed
15 \$9,485,000 (unless changed in the manner described in Section 14 of this Resolution). The
16 Refunding Bonds shall be consolidated, issued, sold and delivered as two separate issues of
17 bonds to be known and designated as “City of Aberdeen Refunding Bonds, Series 2011 (tax
18 exempt)” and “City of Aberdeen Refunding Bonds, Series 2011 (taxable)” and the principal
19 amount of indebtedness to be incurred hereunder shall not exceed Nine Million Four Hundred
20 Eighty-Five Thousand Dollars (\$9,485,000) (unless changed in the manner described in Section
21 14 of this Resolution). Alternatively, the City may elect to pay all or a portion of the cost of
22 issuance of the Refunding Bonds and premiums on the Refunded Bonds with other City funds
23 which the Director of Finance determines is available for such purpose.

1 Section 3. To evidence the indebtedness, the City shall issue and sell upon its full faith
 2 and credit and unlimited taxing power, its Refunding Bonds, Series 2011 in the aggregate
 3 principal amount not to exceed Nine Million Four Hundred Eighty-Five Thousand Dollars
 4 (\$9,485,000), unless changed in the manner described in Section 14 of this Resolution, but in all
 5 events to an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000.00) to
 6 be designated “City of Aberdeen Refunding Bonds, Series 2011 (tax exempt)” (the “Tax Exempt
 7 Refunding Bonds”) and “City of Aberdeen Refunding Bonds, Series 2011 (taxable)” (the
 8 “Taxable Refunding Bonds”). The Refunding Bonds shall be issued in a Tax Exempt Series and
 9 a Taxable Series, as follows:

10 A. Tax Exempt Refunding Bonds. \$8,090,000 Refunding Bonds, Series 2011
 11 (the “Tax Exempt Refunding Bonds”). The Tax Exempt Refunding Bonds shall mature in
 12 installments on the first day of May in each of the years 2012 to 2030, as follows:

13 **\$8,090,000 Refunding Bonds, Series 2011 (Tax-Exempt Bonds)**
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MATURITIES AND AMOUNTS

<u>Maturing May 1</u>	<u>Principal Amount</u>	<u>Maturing May 1</u>	<u>Principal Amount</u>
2012	\$515,000	2021	\$710,000
2013	580,000	2022	375,000
2014	595,000	2023	155,000
2015	600,000	2024	170,000
2016	610,000	2025	175,000
2017	625,000	2026	180,000
2018	640,000	2027	190,000
2019	660,000	2028	195,000
2020	695,000	2029	205,000
		2030	215,000

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B. Taxable Refunding Bonds. \$1,395,000 Refunding Bonds, Series 2011 (the “Taxable Refunding Bonds”). The Taxable Refunding Bonds shall mature in installments on the first day of May in each of the years 2012 to 2021, as follows:

\$1,395,000 Refunding Bonds, Series 2011 (Taxable Bonds)

MATURITIES AND AMOUNTS

<u>Maturing May 1</u>	<u>Principal Amount</u>	<u>Maturing May 1</u>	<u>Principal Amount</u>
2012	\$115,000	2017	\$140,000
2013	135,000	2018	140,000
2014	135,000	2019	150,000
2015	135,000	2020	155,000
2016	135,000	2021	155,000

Section 4. The Refunding Bonds shall be sold at public sale by solicitation of competitive bids, after advertisement of the sale by public notice as provided in this Resolution. The date of sale shall be October 20, 2011 at 10:30 a.m. for the Tax Exempt Refunding Bonds and 11:00 a.m. for the Taxable Refunding Bonds, and bids shall be received on behalf of the City by the Director of Finance of the City, 60 N. Parke Street, Aberdeen, Maryland 21001, or on such other date and/or at such other location as may be determined by Executive Order of the Mayor of the City of Aberdeen.

Section 5. The Director of Finance shall conduct the sale and receive bids in the name of the City and with the advice of Davenport & Company LLC, financial advisor to the City, determine the bid or bids which is the best responsible bid received in compliance with the terms and conditions of the Notice of Sale which bid shall be presented to the Mayor of the City for acceptance by Executive Order as soon as practicable after determination of the best bid for the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds.

1 Section 6. The distribution of the Notice of Sale substantially in the form attached hereto
2 as Exhibit B (the “Notice of Sale”) is hereby approved, affirmed and ratified as a proper action to
3 be taken on the City’s behalf pursuant to the authority granted in the Refunding Ordinance and
4 the terms and conditions stated in the Notice of Sale are hereby approved as the terms and
5 conditions and the manner in which the Refunding Bonds shall be sold, issued and delivered.
6 Appropriate variations and insertions to the Notice of Sale may be made at or prior to sale, to
7 provide dates, serial maturities, numbers, amounts and modifications not substantially altering
8 the Notice of Sale attached to this Resolution, by the Mayor or, if the Mayor so designates, the
9 City Manager, to carry into effect the purposes of this Resolution, or to comply with
10 recommendations of legal counsel, bond counsel, or the City’s financial advisor. Changes in the
11 maturity schedule of the Refunding Bonds and maximum amount of Refunding Bonds to be sold
12 (not to exceed Ten Million Dollars (\$10,000,000)), based upon advice of the financial advisor of
13 the City pursuant to Section 14 of this Resolution may be made upon approval of the Mayor
14 prior to or on the date of sale of the Refunding Bonds by Executive Order. The Notice of Sale
15 approved by the financial advisor to the City shall be published as required by law.

16 Section 7. All or a portion of the proceeds of the Tax Exempt Refunding Bonds,
17 applicable to the Outstanding 2002 Series B1 Bond and the Outstanding 2012 Series B2 Bond,
18 after payment of expenses of sale as provided in the Refunding Ordinance, if recommended by
19 bond counsel, shall be paid to and deposited in an Escrow Deposit Agreement to be used and
20 applied by the City to redeem certain maturities of the Outstanding 2002 Bond Series B1 and the
21 Outstanding 2002 Bond Series B2, described in Exhibit A attached to this Resolution, or if the
22 proceeds of sale after payment of expenses, Cost of Redemption and payment to redeem certain
23 maturities of the Refunded Bonds, as described in Exhibit A attached to this Resolution, are not

1 used in their entirety, the proceeds not so used shall be used, if legislation is enacted by the
2 Council of the City, for such other purpose as may be provided by law. The Mayor is authorized
3 to execute and deliver an escrow deposit agreement with Manufacturers and Traders Trust
4 Company, or another escrow agent, with respect to the receipt, investment and disbursement of
5 the proceeds of the Refunding Bonds.

6 The proceeds of the Tax Exempt Refunding Bonds applicable to the Outstanding 2000
7 Bond and the Outstanding 2001 Bond, Series A-Tax Exempt, after payments of expenses of sale,
8 shall, if recommended by bond counsel, be maintained in a separate account by the Director of
9 Finance and applied by the City to redeem certain maturities of the Outstanding 2000 Bond and
10 the Outstanding 2001 Bond, Series A-Tax Exempt.

11 The proceeds applicable to the Taxable Refunding Bonds, after payment of expenses of
12 sale as provided in the Refunding Ordinance, shall, if recommended by bond counsel, be
13 maintained in a separate account by the Director of Finance and applied by the City to redeem
14 certain maturities of the Outstanding 2001 Bond Series B-Taxable Bond, described in Exhibit A
15 attached to this Resolution, or if the proceeds of sale after payment of expenses, Cost of
16 Redemption and payment to redeem certain maturities of the Taxable Refunded Bonds, as
17 described in Exhibit A attached to this Resolution, are not used in their entirety, the proceeds not
18 so used shall be used, if legislation is enacted by the Council of the City, for such other purpose
19 as may be provided by law.

20 Section 8. The Refunding Bonds shall be dated the date of delivery, and shall be issued
21 in book entry only form, registered in the name of Cede & Co., as partnership nominee of The
22 Depository Trust Company, New York, New York (“DTC”) (provided that if DTC so requests or
23 if DTC is replaced as the depository for the Refunding Bonds, replacement bonds shall be issued

1 in denominations of \$5,000 each or any integral multiple thereof). The Tax Exempt Refunding
2 Bonds shall (unless changed by the Mayor based upon the advice of the City's financial advisor)
3 mature, in annual serial installments on the dates and in the principal amounts provided in the
4 Notice of Sale and shall have a final maturity of May 1, 2030. The Taxable Refunding Bonds
5 shall (unless changed by the Mayor based upon the advice of the City's financial advisor)
6 mature, in annual serial installments on the dates and in the principal amounts provided in the
7 Notice of Sale and shall have a final maturity of May 1, 2021.

8 Section 9. The Tax Exempt Refunding Bonds which mature on or after May 1, 2022 are
9 subject to redemption, in whole or in part, prior to maturity on or after May 1, 2021 or on any
10 date thereafter, without premium or penalty.

11 The Taxable Refunding Bonds are not subject to redemption prior to maturity.

12 Section 10. The Tax Exempt Refunding Bonds and the Taxable Refunding Bonds shall
13 bear interest from the date of delivery at the rate or rates named by the successful bidder or
14 bidders for the Refunding Bonds in accordance with the terms of the Notice of Sale. Interest on
15 the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds shall be payable on May 1,
16 2012 (six months) and semiannually thereafter on November 1 and May 1 in each year in which
17 the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds are outstanding. Interest
18 payments due under the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds shall
19 be made to the registered owners of the Refunding Bonds who are the registered owners of
20 record as of the 15th day of the month next preceding each such interest payment date. Each Tax
21 Exempt Refunding Bond and each Taxable Refunding Bond shall bear interest from the most
22 recent date to which interest has been paid or, if no interest has been paid, from the date of
23 delivery.

1 Section 11. Manufacturers and Traders Trust Company, Baltimore, Maryland, is hereby
2 appointed bond registrar and paying agent. The Mayor is hereby authorized and directed on
3 behalf of the City, to execute and deliver an agreement with Manufacturers and Traders Trust
4 Company concerning the duties and compensation of the bond registrar and paying agent.

5 Section 12. The principal of the Tax Exempt Refunding Bonds and the Taxable
6 Refunding Bonds shall be payable at the principal corporate trust office of the paying agent and
7 the paying agent will forward such payments to DTC. Interest on the Tax Exempt Refunding
8 Bonds and the Taxable Refunding Bonds will be payable by check or draft to the paying agent
9 who will forward such payment to DTC. DTC will provide for payment of principal and interest
10 to purchasers of the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds.

11 Section 13. The Refunding Bonds shall be executed in the name of the City and on its
12 behalf by the Mayor of the City whose signature may be by facsimile, and a facsimile of the
13 corporate seal of the City shall be imprinted thereon attested by the signature of the Clerk of the
14 City, whose signature may also be by facsimile, authenticated by the manual signature of an
15 authorized officer of the Bond Registrar. The Refunding Bonds shall be issued subject to
16 registration as to principal and interest in the name or names of the owner or owners thereof on
17 books kept for the registration and transfer of the Refunding Bonds at the principal corporate
18 trust office of the Bond Registrar. There shall be printed on or attached to each Tax Exempt
19 Refunding Bond and each Taxable Refunding Bond the text of the approving legal opinion of
20 bond counsel with respect to the Tax Exempt Refunding Bonds and the Taxable Refunding
21 Bonds.

22 Section 14. The aggregate principal amount of the Refunding Bonds (and the principal
23 amount due in any one year or years) may be revised by the Director of Finance, based upon the

1 advice of the financial advisor of the City, pursuant to the provisions entitled “Procedures For
2 Sale and Principal Amount Changes” set forth in the “Terms of Sale” of the Notice of Sale
3 attached to this Resolution as Exhibit B. In no event shall the aggregate principal amount of the
4 Refunding Bonds exceed Ten Million Dollars (\$10,000,000) and the principal amount or
5 amounts of any maturity may only be changed as described in the Notice of Sale. The award of
6 the Refunding Bonds to the purchaser(s) of the Refunding Bonds shall be made upon Executive
7 Orders issued by the Mayor and such Executive Orders shall approve the interest rates specified
8 by the successful bidder for each maturity in its proposal along with any change or changes in
9 the aggregate principal amount of the Tax Exempt Refunding Bonds and Taxable Refunding
10 Bonds and/or the principal amount of any maturity of the Tax Exempt Refunding Bonds and the
11 Taxable Refunding Bonds.

12 Section 15. The Tax Exempt Refunding Bonds shall be issued and mature substantially
13 in the form of Refunding Bonds attached to this Resolution as Exhibit C. The Taxable
14 Refunding Bonds shall be issued and mature substantially in the form of Refunding Bonds
15 attached to this Resolution as Exhibit D.

16 Section 16. The Refunding Bonds may be transferred or exchanged only in the manner
17 set forth in the Notice of Sale.

18 Section 17. The City hereby covenants and agrees with each of the holders from time to
19 time, of any of the Refunding Bonds, (in the case of the Refunded Bonds, issued to finance water
20 and sewer projects, in the event receipts from charges, fees and assessments of the Water and
21 Sewer System of the City do not provide sufficient funds to pay the principal of, interest on and
22 premium (if any) on the Refunding Bonds), that it shall promptly cause to be levied against all
23 assessable property within the City annually, so long as any of the Refunding Bonds are

1 outstanding and not paid, an *ad valorem* tax sufficient in rate and amount to provide for the
2 paying of the principal of, premium (if any) and interest on the Refunding Bonds when due,
3 which tax shall be levied in accordance with the Charter. The City, by the passage of this
4 Resolution, hereby covenants and agrees and confirms its covenant and agreement contained in
5 the Refunding Ordinance, properly and promptly to perform all the respective acts and duties
6 defined in the Charter for the levy and collection of the *ad valorem* tax upon all assessable
7 property within the corporate limits of the City, as the levy and collection of such a tax becomes
8 necessary in order to provide for the payment of principal of, premium (if any) and interest on
9 the Refunding Bonds.

10 Section 18. As soon as may be practicable after the sale hereinabove provided for has
11 been held, the Refunding Bonds shall be suitably prepared in temporary or definitive form,
12 executed and delivered through the facilities of DTC in New York, New York, upon receipt of
13 the purchase price therefor, plus interest accrued thereon to the date of delivery. The Mayor, the
14 Director of Finance and all other officials and employees of the City are expressly authorized,
15 empowered and directed to take any and all action necessary to complete and close the award
16 and the sale, issuance and delivery of the Refunding Bonds to DTC and to execute and deliver all
17 documents, certificates and instruments necessary or appropriate in connection therewith.

18 Section 19. (a) The Mayor and the Director of Finance are the officials of the City
19 responsible for the issuance of the Tax Exempt Refunding Bonds within the meaning of Section
20 1.148-2(b)(2) of the Arbitrage Regulations (defined below). The Mayor and the Director of
21 Finance shall also be the officials of the City responsible for the execution and delivery (on the
22 date of the issuance of the Tax Exempt Refunding Bonds) of a certificate containing the
23 covenants, certifications and agreements of the City (the “Section 148 Certificate”) that complies

1 with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended
2 (“Section 148”), and the applicable regulations thereunder (the “Arbitrage Regulations”); and
3 such officials are hereby authorized and directed to execute and deliver the Section 148
4 Certificate to bond counsel.

5 (b) The City shall set forth in the Section 148 Certificate its reasonable expectations
6 as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Tax
7 Exempt Refunding Bonds or of any monies, securities or other obligations to the credit of any
8 account of the City which may be deemed to be proceeds of the Refunding Bonds pursuant to
9 Section 148 or the Arbitrage Regulations (collectively, the “Bond Proceeds”). The facts,
10 estimates and circumstances set forth in the Section 148 Certificate shall be based upon the
11 City’s reasonable expectations on the date of issuance of the Tax Exempt Refunding Bonds and
12 will be, to the best of the certifying official’s knowledge, true and correct as of that date.

13 (c) The City covenants with the registered owners of the Tax Exempt Refunding
14 Bonds that it will not make, nor (to the extent that it exercises control or direction) permit to be
15 made, any use of the Bond Proceeds that would cause any of the Tax Exempt Refunding Bonds
16 to be an “Arbitrage Bond” within the meaning of Section 148 and the Arbitrage Regulations and
17 that it will comply with those provisions of Section 148 and the Arbitrage Regulations as may be
18 applicable to the Tax Exempt Refunding Bonds on the date of issuance and which may
19 subsequently lawfully be made applicable to the Tax Exempt Refunding Bonds as long as the
20 Tax Exempt Refunding Bonds remain outstanding and unpaid.

21 Section 20. The City covenants that it will comply with the provisions of the Internal
22 Revenue Code of 1986, as amended, applicable to the Tax Exempt Refunding Bonds, including,
23 without limitation, compliance with provisions regarding the timing of the expenditure of Bond

1 Proceeds, the use of Bond Proceeds to refund certain maturities of the Outstanding 2000 Bond,
2 the Outstanding 2001 Bond Series A, the Outstanding 2002 Bond Series B1 and the Outstanding
3 2002 Bond Series B2, as described in Exhibit A to this Resolution, the restriction of investment
4 yields on invested Bond Proceeds, the filing of information with the Internal Revenue Service,
5 and the rebate of certain earnings resulting from the investment of the Bond Proceeds or the
6 payment of alternative penalty amounts in lieu of rebate as permitted under Section 148 and the
7 Arbitrage Regulations. The City further covenants that it shall make such use of the Bond
8 Proceeds, regulate the investment of Bond Proceeds, and take such other and further actions as
9 may be required to maintain the exclusion from income for federal income taxation of interest on
10 the Tax Exempt Refunding Bonds, including, but not limited to, if the Tax Exempt Refunding
11 Bonds are determined by bond counsel to be advance refunding funds, the execution of an
12 escrow deposit agreement.

13 Section 21. The Mayor, City Manager and Director of Finance are authorized to
14 distribute a Preliminary Official Statement relating to the Refunding Bonds, which shall contain
15 current financial information concerning the City. The Mayor, City Manager and Director of
16 Finance are also authorized to distribute an Official Statement, the final form of which shall be
17 approved by the Mayor as evidenced by his signature thereon, and the Official Statement shall be
18 in substantially the form of the Preliminary Official Statement, with such changes, modifications,
19 additions and deletions as the Mayor may approve.

20 Section 22. With respect to all documents, certificates and other forms the execution,
21 authentication and delivery of which is authorized herein, the official(s) or representative(s)
22 authorized to execute, authenticate or deliver such documents, certificates or other forms is (are)
23 hereby authorized to do so with such changes from the forms approved herein as may be

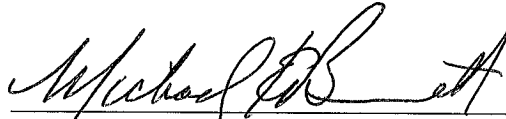
1 necessary, prudent or desirable to effect the transactions contemplated by the Refunding
2 Ordinance or this Resolution and which are consistent with the Refunding Ordinance and this
3 Resolution.

4 Section 23. The Mayor, City Manager and Director of Finance are authorized to execute
5 and deliver such other and further documents as may be necessary or appropriate to complete
6 sale and delivery of the Refunding Bonds.

7 Section 24. This Resolution shall become effective immediately upon adoption by the
8 Council of the City.

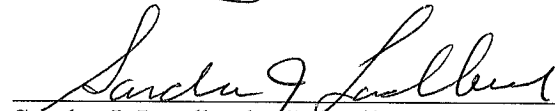
9 ADOPTED this 10th day of October, 2011.

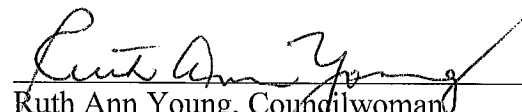
10 COUNCIL OF THE CITY OF ABERDEEN

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14 Michael E. Bennett, Mayor

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18 Ruth E. Elliott, Councilwoman


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22 Bruce E. Gagner, Councilman

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26 Sandra J. Landbeck, Councilwoman

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30 Ruth Ann Young, Councilwoman

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32 ATTEST:

SEAL:

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36 Monica A. Correll, City Clerk
37 DATE: October 10, 2011
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EXHIBIT A(1)

Outstanding \$3,610,700 City of Aberdeen Infrastructure Bond, 2000 Series A
to be Redeemed

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EXHIBIT A(2)

Outstanding \$4,812,700 City of Aberdeen Infrastructure Bond, 2001 Series A (tax exempt)
to be Redeemed

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EXHIBIT A(3)

Outstanding \$1,930,000 City of Aberdeen Infrastructure Bond 2001, Series B (taxable)
to be Redeemed

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EXHIBIT A(4)

Outstanding \$1,045,800 City of Aberdeen Infrastructure Bond, 2002 Series B2
to be Redeemed

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EXHIBIT A(5)

Outstanding \$2,091,200 City of Aberdeen Infrastructure Bond, 2002 Series B2
to be Redeemed

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EXHIBIT B

NOTICE OF SALE
\$9,485,000*
CITY OF ABERDEEN (MARYLAND)
GENERAL OBLIGATION BONDS
CONSISTING OF
\$8,090,000* REFUNDING BONDS, SERIES 2011 (TAX EXEMPT)
\$1,395,000* REFUNDING BONDS, SERIES 2011 (TAXABLE)
(Book-Entry Only)

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NOTICE IS HEREBY GIVEN that electronic bids for each series of bonds will be received by the Director of Finance, City of Aberdeen, Maryland (the "City") until 10:30 a.m. (EDT) Baltimore, Maryland time on October 20, 2011 for the purchase of all (but not less than all) of the City's Refunding Bonds, Series 2011 (tax exempt), aggregating \$8,090,000* (the "Tax Exempt Refunding Bonds") and until 11:00 a.m. for the purchase of all (but not less than all) of the City's \$1,395,000* Refunding Bonds, Series 2011 (taxable) (the "Taxable Refunding Bonds") (collectively, the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds are herein sometimes referred to as the "Bonds"). The bids will be received up to the time (unless postponed as described herein) and in the manner described below:

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Bidding Procedures

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Submit electronically via PARITY® in accordance with its Rules of Participation and this Notice of Sale until 10:30 a.m. for the Tax Exempt Refunding Bonds and 11:00 a.m. for the Taxable Refunding Bonds, but no bid will be received after the time for receiving bids specified above. Provisions in this Notice of Sale conflicting with those PARITY® Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, the bid time and/or date may be postponed at the option of the City. For further information about PARITY®, potential bidders may contact:

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Davenport & Company, LLC
8600 LaSalle Road
Suite 324
Towson, Maryland 21286
Attention: A. Samuel Ketterman
Telephone: 410-296-9426

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Who is acting as financial advisor to the City, or

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PARITY®
1359 Broadway
New York, New York 10018
Telephone: 212-849-5021

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Any prospective bidder must submit its electronic bid through the facilities of PARITY®, in accordance with the Rules of Participation and any other requirements of PARITY®. Prospective bidders must be contract customers of PARITY® in order to submit an electronic bid.

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An electronic bid made through the facilities of PARITY® shall be deemed an offer, in response to this Notice of Sale, and shall be binding upon the bidder. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY®, the use of such facilities being the sole risk of the prospective bidder.

54
55

*Preliminary, subject to adjustment as provided herein.

1 Neither the City nor PARITY® shall have any duty or obligation to provide or assure access to PARITY®
2 to any prospective bidder. The City is using PARITY® as a communication mechanism, and not as the City's agent
3 to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of
4 PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale. All costs and
5 expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole
6 responsibility of the bidders; and the City is not responsible, directly or indirectly, for any such costs or expenses. If
7 a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, such
8 bidder should telephone PARITY® (212-806-8304) and notify the City's Bond Counsel, Royston, Mueller, McLean
9 & Reid, LLP, Attention: Stephen C. Winter, by facsimile at 410-823-1708.

10
11 Separate electronic bids must be submitted for the purchase of each series of the Bonds via PARITY®.
12 Bids will be communicated electronically to the City at 10:30 a.m. for the Tax Exempt Refunding Bonds and 11:00
13 a.m. for the Taxable Refunding Bonds (EDT) on October 20, 2011. Prior to that time, a prospective bidder may (1)
14 submit the proposed terms of its bid, (2) modify the proposed terms of its bid, in which event the proposed terms as
15 last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw
16 its proposed bid for either series of the Bonds. Once the bids are communicated electronically via PARITY® to the
17 City, each bid will constitute an irrevocable offer to purchase each series of the Bonds bid for on the terms therein
18 provided. For the purposes of the electronic bid, the time maintained by PARITY® shall constitute the official time.
19

20 **Authorization**

21
22 The Bonds will be issued by the City pursuant to Ordinance No. 11-O-10 enacted by the Council of the
23 City on September 12, 2011, effective October 2, 2011, and Executive Orders of the Mayor of the City and a
24 Resolution to be adopted by the Council of the City (collectively, the "Authorizing Legislation"). The proceeds of
25 the Tax Exempt Refunding Bonds and the Taxable Refunding Bonds will be used primarily to refund bonds issued
26 by the City in 2000, 2001 and 2002.
27

28 **List of Members of Account**

29
30 The facilities of PARITY® currently do not allow the bidders to list the names of the members of the
31 account on whose behalf the bid is made. Bidders who are submitting an electronic bid are requested to provide by
32 facsimile the names of the members of the account on whose behalf the bid is made to the City, c/o Royston,
33 Mueller, McLean & Reid, LLP, 410-823-1708, Attention: Stephen C. Winter.
34

35 **Right to Modify or Amend Notice of Sale; Right to Postpone Sale**

36
37 **The City reserves the right to modify or amend this Notice of Sale, including changing the scheduled**
38 **maturities or increasing or reducing the aggregate principal amount of Bonds and the principal amount of**
39 **any maturity offered for sale, prior to the bid date. If any modifications occur, supplemental information**
40 **with respect to the Bonds will be communicated via TM3 News Service (www.tm3.com) not later than 9:30**
41 **a.m., Baltimore, Maryland time, on the day of sale, and bidders shall bid upon the Bonds based upon the**
42 **terms thereof set forth in this Notice of Sale, as so modified by such supplemental information.**
43

44 In addition, the City reserves the right to postpone the date established for the receipt of bids. In the event
45 of a postponement, the new date and time of sale and any revised date of expected delivery will be announced via
46 TM3 News Service not later than 48 hours prior to such alternative sale date. On any such alternative sale date,
47 bidders may submit sealed bids for the purchase of the Bonds in conformity with the provisions of this Notice of
48 Sale, except for the changed date and time of sale and any revised date of delivery.
49

50 **Bid Parameters**

51
52 No bid of less than 100% of par, no oral bid and no bid for less than all of each series of the Bonds
53 described in this Notice of Sale, will be considered. Bidders may submit bids on either or both series of Bonds.
54 Each series of the Bonds will be awarded separately. The Bonds are expected to be awarded no later than 5:00 p.m.
55 Baltimore, Maryland time on October 20, 2011. All proposals shall remain firm until the time of award.

1
2 The Bonds and payment of the principal and interest thereon, will be the unconditional general obligations
3 of the City and will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the
4 City.
5

6 **Tax Exempt Price and Interest Rate Bid**
7

8 Each bidder shall submit one bid, not less than 100% of par or more than 110%, on all "all-or-none" basis
9 for each series of Bonds for which a bid is submitted. Bidders may submit bids on either or both series of Bonds.
10 Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth (1/8) or one-
11 twentieth (1/20) of one percent (1%). Bidders may specify more than one rate of interest to be borne by the Tax
12 Exempt Bonds, but all Tax Exempt Bonds for each series maturing on the same date must bear interest at the same
13 rate; the difference between the maximum and minimum interest rates specified may not exceed three percent (3%)
14 and no coupon may exceed 5.50%. A zero rate cannot be named for any maturity.
15

16 **Taxable Price and Interest Rate Bid**
17

18 Each bidder shall submit one bid, not less than 100% of par, on all "all-or-none" basis for each series of
19 Bonds for which a bid is submitted. Bidders may submit bids on either or both series of Bonds. Each bid must
20 specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth (1/8) or one-twentieth (1/20)
21 of one percent (1%). Bidders may specify more than one rate of interest to be borne by the Taxable Bonds, but all
22 Taxable Bonds for each series maturing on the same date must bear interest at the same rate. A zero rate cannot be
23 named for any maturity.
24

25 **Procedures for Award and Principal Amount Changes**
26

27 The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to
28 adjustments by the City, both before and after the receipt of bids for their purchase. Changes to be made prior to the
29 sale will be through TM3 News Service not later than 9:30 a.m. Baltimore, Maryland time on the date of sale (or as
30 soon thereafter as is reasonably practical) and will be used to compare bids and select a winning bidder. Changes to
31 be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by
32 5:00 p.m. local time on the date of the sale, will be made only as necessary to effect the refunding, and will not
33 reduce or increase the aggregate principal amount of the Bonds by more than 10% from the amount bid upon. In
34 addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. local
35 time on the date of the sale. The dollar amount bid for principal and any amount bid for premium by the successful
36 bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate principal amount of the
37 Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful
38 bidder may not withdraw its bid as a result of any changes made within these limits.
39

40 ALL BIDS SHALL REMAIN FIRM UNTIL THE BONDS ARE AWARDED ON THE DATE OF SALE.
41 An award of each series of the Bonds pursuant to this Notice of Sale, if made, will be made by Executive Order for
42 each issue by the Mayor of the City of Aberdeen, at or before 5:00 p.m. Baltimore, Maryland time on the date of
43 sale.
44

45 **Good Faith Deposit.**
46

47 A good faith deposit (the "Deposit") is required in connection with the sale and bid for each series of the
48 Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the amount of \$160,000 for
49 the Tax Exempt Refunding Bonds and \$30,000 for the Taxable Refunding Bonds to be submitted to the City by the
50 successful bidder not later than 3:00 p.m. (EDT) (the "Deposit Deadline") on the date of sale or (ii) a financial
51 surety bond (a "Surety Bond") from an insurance company acceptable to the City and licensed to issue such a bond
52 in the State of Maryland in the amount of the Deposit, each option as described in more detail below. The Deposit
53 of the successful bidder will be retained by the City to be applied in partial payment for the Tax Exempt Refunding
54 Bonds and the Taxable Refunding Bonds, as the case may be, and no interest will be allowed or paid upon the

1 amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the
2 proceeds thereof will be retained as and for full liquidated damages.
3

4 If a federal funds wire transfer is used, the City shall distribute wiring instructions for the Deposit to the
5 successful bidder(s) upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the
6 Deposit is not received by the Deposit Deadline, the award of the sale of each series of the Bonds to the successful
7 bidder may be cancelled by the City in its discretion without any financial liability of the City to the successful
8 bidder or any limitation whatsoever on the City's right to sell each series of the Bonds to a different purchaser upon
9 such terms and conditions as the City shall deem appropriate.
10

11 If a Surety Bond is used, it must be submitted to the City prior to 5:00 p.m. (EDT) on the day prior to the
12 date for receipt of bids, and must be in form and substance acceptable to the City, including (without limitation)
13 identifying the bidder whose Deposit is guaranteed by such Surety Bond. If either or both series of the Bonds are
14 awarded to a bidder utilizing a Surety Bond, then such successful bidder is required to submit its Deposit to the City
15 not later than 12:00 p.m. (EDT) on the next business day following the award in accordance with wire instructions
16 delivered by the City to such bidder. If such Deposit is not received by that time, the Surety Bond may be drawn by
17 the City to satisfy the Deposit requirement.
18

19 **Award of Bonds and Public Offering**

20

21 The City will not consider and will reject any bid for the purchase of less than all of the Bonds of each
22 series, and bidders may submit bids on either or both series of Bonds. THE RIGHT IS RESERVED TO THE
23 DIRECTOR OF FINANCE TO REJECT ANY AND ALL BIDS FOR EACH OR BOTH SERIES OF BONDS.
24 The award, if made, will be made as promptly as possible after the bids are opened to the bidder or bidders offering
25 the lowest interest rate to the City. The lowest interest rate shall be determined in accordance with the true interest
26 cost (TIC) method doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt
27 service payments from the payment dates to the date of the Bonds and to the price bid, excluding interest accrued to
28 the date of delivery; provided, however, that if two or more bidders have made bids, each of which represents the
29 lowest true interest cost to the City, the Bonds of such series shall be awarded to the bidder offering the highest
30 premium and if the highest premium is offered by two or more such bidders or if no premium is bid by any such
31 bidders, then the Bonds of such series may be awarded, with their consent, in a ratable portion among such bidders,
32 or the City, in its discretion, may award all the Bonds of such series to one bidder. The judgment of the City shall be
33 final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity
34 to the terms of this Notice of Sale. THE SUCCESSFUL BIDDER MUST REASONABLY EXPECT TO SELL TO
35 THE PUBLIC 10% OR MORE IN PAR AMOUNT OF EACH SERIES OF THE BONDS FROM EACH
36 MATURITY AT THE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED
37 CERTIFICATION DESCRIBED UNDER "CLOSING DOCUMENTS" BELOW.
38

39 **Legal Opinion**

40

41 The issuance of the Bonds will be subject to delivery of the approving opinions of Royston, Mueller,
42 McLean & Reid, LLP, Towson, Maryland, bond counsel, and Miles & Stockbridge P.C., Baltimore, Maryland,
43 special tax counsel, which opinions shall be substantially in the form set forth as an exhibit to the Preliminary
44 Official Statement referred to below.
45

46 **Official Statement**

47

48 Not later than seven (7) business days after the award of each series of the Bonds to the successful bidder
49 on the day of sale, the City will deliver to the successful bidder an Official Statement, which is expected to be
50 substantially in the form of the Preliminary Official Statement referred to below. If so requested by the successful
51 bidder at or before the close of business on the date of the sale, the City will include in the Official Statement such
52 pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder
53 ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering
54 Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates
55 on the Bonds resulting from the bid of the successful bidder and the successful bidder shall be responsible to the

1 City and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the
2 use or omission of the Reoffering Information in any reoffering of the bonds, including the presentation or exclusion
3 of any Reoffering Information in any documents, including the official Statement. The successful bidder will also
4 be furnished, without cost, with up to 50 copies of the Official Statement and any amendments or supplements
5 thereto.
6

7 The Preliminary Official Statement of the City concerning the Bonds (the "Preliminary Official
8 Statement") is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1) (the "Rule") but is
9 subject to revision, amendment and completion in the final Official Statement.
10

11 The City will undertake to provide the successful bidder with further additional information to be included
12 in such Official Statement, when in the opinion of the City or of Bond Counsel, such additional information
13 constitutes a material change to such Official Statement. The City will take such steps as are necessary to arrange
14 for amending and supplementing the Official Statement in connection with the disclosure of such additional
15 information; provided, however, that the City shall have no obligation to provide such additional information after
16 the date which is twenty-five (25) days after the "end of the underwriting period", as such term is defined in the
17 Rule.
18

19 The City agrees, in order to assist bidders in complying with SEC Rule 15c2-12(b)(5), pursuant to a
20 continuing disclosure certificate (the "Continuing Disclosure Certificate") signed by the Mayor, Director of Finance
21 and City Manager of the City, to provide annual reports and notices of certain events. The undertakings of the City
22 in the Continuing Disclosure Certificate shall be set forth in the Preliminary Official Statement and Official
23 Statement and any amendment or supplement thereto.
24

25 **Bidder Certificate**

26 THE SUCCESSFUL BIDDER FOR EACH SERIES OF THE BONDS SHALL MAKE A BONA FIDE
27 PUBLIC OFFERING OF THE BONDS AT THEIR RESPECTIVE INITIAL REOFFERING PRICES AND
28 SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW. THE SUCCESSFUL BIDDER
29 FOR THE BONDS MUST REASONABLY EXPECT TO SELL TO THE PUBLIC 10% OR MORE IN PAR
30 AMOUNT OF THE BONDS FROM EACH MATURITY THEREOF AT THE INITIAL REOFFERING PRICES.
31
32

33 After the award of the Bonds, the City will prepare copies of the final Official Statement and will include
34 therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonably
35 request. The successful bidder will be responsible to the City in all aspects for the accuracy and completeness of
36 information provided by such successful bidder with respect to such offering.
37

38 SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER
39 SHALL FURNISH TO THE CITY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT
40 THAT (I) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT
41 THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE
42 SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE
43 BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT
44 THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) A SUBSTANTIAL AMOUNT OF THE
45 BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER
46 INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES OR SUCH OTHER FACTS
47 REGARDING THE ACTUAL SALE OF THE BONDS AS BOND COUNSEL SHALL REQUEST, AS
48 DESCRIBED BELOW. Bond Counsel advises that (i) such certificate must be made on the best knowledge,
49 information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Bonds
50 of each maturity at the initial reoffering prices would be sufficient to certify as to the sale of a substantial amount of
51 the Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond
52 Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the
53 bonds.
54

55 **Book-Entry Only Form**

The Bonds will be issued in book-entry-only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) and immobilized in custody. Principal and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds. Information concerning DTC and its book-entry system is included in the Preliminary Official Statement and bidders should rely solely on that material.

Interest Payment Dates

The Tax Exempt Refunding Bonds will be dated the date of delivery and will bear interest from the date of delivery, payable on May 1, 2012 and semiannually thereafter on each May 1 and November 1 until maturity or redemption.

The Taxable Refunding Bonds will be dated the date of delivery and will bear interest from the date of delivery, payable on May 1, 2012 and semi annually thereafter on each May 1 and November 1 until maturity.

Preliminary Principal Amounts

Unless the maturity schedule below is revised as described under “Procedures for Award and Principal Amount Changes” above, the Tax Exempt Refunding Bonds will mature on May 1 in each of the years 2012 through 2030 inclusive, as follows (the “Maturity Schedule”):

Preliminary Principal		Preliminary Principal	
<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
2012	\$515,000	2022	\$375,000
2013	580,000	2023	155,000
2014	595,000	2024	170,000
2015	600,000	2025	175,000
2016	610,000	2026	180,000
2017	625,000	2027	190,000
2018	640,000	2028	195,000
2019	660,000	2029	205,000
2020	695,000	2030	215,000
2021	710,000		

Unless the maturity schedule below is revised as described under “Procedures for Award and Principal Amount Changes” above, the Taxable Refunding Bonds will mature on May 1 in each of the years 2012 through 2021 inclusive, as follows (the “Maturity Schedule”):

Preliminary Principal		Preliminary Principal	
<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
2012	\$115,000	2017	\$140,000
2013	135,000	2018	140,000
2014	135,000	2019	150,000
2015	135,000	2020	155,000
2016	135,000	2021	155,000

Redemption

The Tax Exempt Refunding Bonds which mature before May 1, 2022 are not subject to redemption prior to maturity. The Tax Exempt Refunding Bonds that mature on and after May 1, 2022, are subject to redemption at the option of the City in whole or in part at any time beginning May 1, 2021, without premium or penalty at par (100% of the principal amount to be redeemed) plus accrued interest to the date of redemption.

1 The Taxable Refunding Bonds are not subject to redemption prior to maturity.

2
3 **Delivery**

4
5 Delivery of each series of the Bonds by the Director of Finance of the City is expected to occur in New
6 York, New York through the facilities of DTC on or about November 1, 2011. The successful bidder shall pay for
7 each series of the Bonds on the date of delivery in Baltimore, Maryland in **IMMEDIATELY AVAILABLE**
8 **FEDERAL FUNDS** by 11:00 a.m. Baltimore, Maryland time, on the closing date. Any expenses of providing
9 immediately available funds shall be borne by the successful bidder. Certain closing documents will be available for
10 delivery in Baltimore, Maryland on or about November 1, 2011. Payment on the delivery date shall be made in an
11 amount equal to the price bid for each series the Bonds less the amount of the Good Faith Deposit.

12
13 **CUSIP Numbers**

14
15 It is anticipated that CUSIP numbers will be printed on the bonds, but the City will assume no obligation
16 for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the
17 failure to print such numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or
18 refusal by the successful bidder of the Bonds to accept delivery or make payment for the Bonds.

19
20 **Closing Documents**

21
22 The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate,
23 effective as of the date of delivery, stating that there is no litigation pending against the City affecting the validity of
24 the bonds and a Tax Certificate and Compliance Agreement signed by the Director of Finance of the City.

25
26 It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds
27 that, simultaneously with or before delivery and payment for the bonds, such successful bidder shall be furnished a
28 certificate or certificates of the Mayor, City Manager and Director of Finance of the City to the effect that to the best
29 of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the
30 Reoffering Information, as to which no view will be expressed) as of the date of sale and as of the date of delivery of
31 the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact
32 necessary to make the statements therein, in light of the circumstances under which they were made, not misleading
33 and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in
34 the financial position or revenues of the City, except as reflected or contemplated in the Official Statement.

35
36 In the event that all or any part of the Bonds are initially reoffered with bond insurance secured by the
37 successful bidder, the successful bidder shall be required to notify immediately the Director of Finance of the City at
38 the time of sale of such event and shall provide the Director of Finance of the City with any information he (she)
39 reasonably requests regarding such bond insurance, including the amounts paid for such insurance and interest rates
40 that the bonds would have borne should the bid have occurred without bond insurance. The City will, at the request
41 and expense of the successful bidder, include customary language in the Official Statement and the form of bond
42 regarding the insurance policy upon receipt of such opinions or certificates as the City reasonably may request
43 regarding the accuracy of any information to be included in the Official Statement and the binding nature of the
44 obligations contained in the insurance policy with respect to the Bonds. The City shall have no obligation to provide
45 the successful bidder or the bond insurance company with any other documents or opinions relating to the Bonds.

46
47 The Preliminary Official Statement, a full financial statement concerning the City, the required form of
48 proposal, and other data in reference thereto as may be desired will be supplied to prospective bidders upon request
49 made to Douglas R. Miller, City Manager, City of Aberdeen, 60 N. Parke Street, Aberdeen, Maryland 21001,
50 Telephone: (410) 272-1600 or from the City's Financial Advisor, Davenport & Company, LLC, 8600 LaSalle Road,
51 Suite 324, Towson, Maryland 21286, Attention: A. Samuel Ketterman, Telephone: (410) 296-9426.

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4
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7
8
9

Date: October ____, 2011

CITY OF ABERDEEN (MARYLAND)

By: _____
Michael E. Bennett
Mayor

1 **EXHIBIT C**

2 Form of Tax Exempt Bonds

3 UNITED STATES OF AMERICA

4 STATE OF MARYLAND

5 CITY OF ABERDEEN

6 REFUNDING BONDS, SERIES 2011 (tax exempt)

7 Registered Owner: Cede & Co.

8 (Dated _____, 2011)

9 No. R-

CUSIP NO.

10 CITY OF ABERDEEN, a body politic and municipal corporation, organized and existing
11 under the Constitution and laws of the State of Maryland (the "City"), hereby acknowledges
12 itself indebted and, for value received, promises to pay to the registered owner or registered
13 assignees of this bond, the principal sum of _____ DOLLARS (\$_____)
14 on May 1, 2012 upon presentation and surrender of this bond and to pay interest thereon, from
15 the date of this bond at the rate of _____ percent (___%) per annum until payment of said
16 principal sum, such interest to the maturity hereof being payable on May 1, 2012 (six months),
17 and semiannually thereafter on the 1st day of November and May in each year by check or draft
18 of the Paying Agent (hereinafter described) mailed to the registered owners of record (on the
19 fifteenth (15th) day of the month preceding the interest payment date) as interest becomes due
20 and payable.

21 Both the principal of and interest on this bond will be paid in lawful money of the United
22 States of America, at the time of payment, at the principal office of Manufacturers and Traders
23 Trust Company ("Paying Agent").

1 This bond shall be registered in the name of the owner on the registration books kept for
2 that purpose at the principal office of Manufacturers and Traders Trust Company ("Bond
3 Registrar"), after which no transfer hereof shall be valid unless made on the said registration
4 books by the registered owner hereof in person or by his duly authorized attorney, but this Bond
5 will not be transferred unless The Depository Trust Company ("DTC") determines to discontinue
6 providing its services as a securities depository or directs that the Bonds be re-registered in a
7 different name, or unless DTC is removed as the depository for the Bonds. The City, Bond
8 Registrar and Paying Agent may deem and treat the person in whose name this bond is registered
9 as the absolute owner hereof for all purposes. This bond, upon surrender hereof at the principal
10 office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond
11 Registrar, duly executed by the registered owner hereof, or his (her) duly authorized attorney,
12 may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal
13 amount of bonds of authorized denominations and of the same form and tenor as this bond. For
14 every such exchange or transfer of bonds, the City or the Bond Registrar shall make a charge for
15 any tax or other governmental charge required to be paid with respect to such exchange or
16 transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer
17 as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be
18 obligated to make any such exchange or transfer of bonds during the fifteen (15) days next
19 preceding an interest payment date on the bonds, or in case of any proposed redemption of
20 bonds, during the fifteen (15) days next preceding the date of the publication of notice of such
21 redemption. The Bond Registrar shall not be required to make any transfer or exchange of any
22 bonds called for redemption.

1 This bond is one of a duly authorized issue or series of bonds (the “Bonds”) aggregating
 2 Eight Million Ninety Thousand Dollars (\$8,090,000) in principal amount, which are of the
 3 denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof. The Bonds
 4 mature serially in installments on the 1st days of May in each of the years 2012 to 2030,
 5 inclusive, as follows:

Year of Maturity (May)	Preliminary Principal Amount	Year of Maturity (May)	Preliminary Principal Amount
2012	\$515,000	2022	\$375,000
2013	\$580,000	2023	\$155,000
2014	\$595,000	2024	\$170,000
2015	\$600,000	2025	\$175,000
2016	\$610,000	2026	\$180,000
2017	\$625,000	2027	\$190,000
2018	\$640,000	2028	\$195,000
2019	\$660,000	2029	\$205,000
2020	\$695,000	2030	\$215,000
2021	\$710,000		

6
 7 The Bonds are numbered from one (1) consecutively upwards in the order of their maturities, are
 8 of like tenor except as to amount, maturity, number and interest rate, are issued pursuant to and
 9 in full conformity with the provisions of the Charter of the City of Aberdeen, as amended, and by
 10 virtue of due proceedings had and taken by the Council of the City of Aberdeen particularly,
 11 Ordinance No. 11-O-10 enacted on September 12, 2011, and a Resolution adopted on October
 12 10, 2011.

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

17 The Bonds which mature before May 1, 2022 are not subject to redemption prior to their
 18 maturities. The Bonds which mature on and after May 1, 2022 are subject to redemption at the

1 option of the City, in whole or in part, at any time beginning May 1, 2021, at par, without
2 premium or penalty.

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

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

19 IN WITNESS WHEREOF the City, has caused this bond to be executed in its name by
20 the manual or facsimile signature of the Mayor, which signature has been imprinted thereon, and
21 has also caused of its corporate seal or a facsimile thereof to be imprinted or otherwise
22 reproduced hereon, attested by the manual or facsimile signature of the City Clerk, and the

1 manual signature of an authorized officer of the Bond Registrar, all as of the ____ of November,
2 2011.

3 ATTEST:

CITY OF ABERDEEN

4
5 _____
6 Monica A. Correll
7 City Clerk

By: _____
Michael E. Bennett
Mayor

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CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of the City of Aberdeen Refunding Bonds, Series 2011 (tax exempt).

Authorized Officer

(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>
_____	_____	_____
_____	_____	_____
_____	_____	_____

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 _____
13
14 attorney to transfer the within bond on the books kept for registration thereof, with full power of
15 substitution in the premises.

16 Date: _____

17 Signature guaranteed: _____

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

24 _____
25 NOTICE: The signature on this
26 Assignment must correspond with
27 the name of the registered owner as
28 it appears on the face of the within
29 bond in every particular, without
30 alteration or enlargement or
31 any change whatever.
32
33

1 **EXHIBIT D**

2 Form of Taxable Bonds

3 UNITED STATES OF AMERICA

4 STATE OF MARYLAND

5 CITY OF ABERDEEN .

6 REFUNDING BONDS, SERIES 2011 (taxable)

7 Registered Owner: Cede & Co.

8 (Dated _____, 2011)

9 No. R-

CUSIP NO.

10 CITY OF ABERDEEN, a body politic and municipal corporation, organized and existing
11 under the Constitution and laws of the State of Maryland (the "City"), hereby acknowledges
12 itself indebted and, for value received, promises to pay to the registered owner or registered
13 assignees of this bond, the principal sum of _____ DOLLARS (\$_____)
14 on May 1, 2012 upon presentation and surrender of this bond and to pay interest thereon, from
15 the date of this bond at the rate of _____ percent (___%) per annum until payment of said
16 principal sum, such interest to the maturity hereof being payable on May 1, 2012 (six months),
17 and semiannually thereafter on the 1st day of November and May in each year by check or draft
18 of the Paying Agent (hereinafter described) mailed to the registered owners of record (on the
19 fifteenth (15th) day of the month preceding the interest payment date) as interest becomes due
20 and payable.

21 Both the principal of and interest on this bond will be paid in lawful money of the United
22 States of America, at the time of payment, at the principal office of Manufacturers and Traders
23 Trust Company ("Paying Agent").

1 This bond shall be registered in the name of the owner on the registration books kept for
2 that purpose at the principal office of Manufacturers and Traders Trust Company ("Bond
3 Registrar"), after which no transfer hereof shall be valid unless made on the said registration
4 books by the registered owner hereof in person or by his duly authorized attorney, but this Bond
5 will not be transferred unless The Depository Trust Company ("DTC") determines to discontinue
6 providing its services as a securities depository or directs that the Bonds be re-registered in a
7 different name, or unless DTC is removed as the depository for the Bonds. The City, Bond
8 Registrar and Paying Agent may deem and treat the person in whose name this bond is registered
9 as the absolute owner hereof for all purposes. This bond, upon surrender hereof at the principal
10 office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond
11 Registrar, duly executed by the registered owner hereof, or his (her) duly authorized attorney,
12 may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal
13 amount of bonds of authorized denominations and of the same form and tenor as this bond. For
14 every such exchange or transfer of bonds, the City or the Bond Registrar shall make a charge for
15 any tax or other governmental charge required to be paid with respect to such exchange or
16 transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer
17 as a condition precedent to the exercise of such privilege.

18 This bond is one of a duly authorized issue or series of bonds (the "Bonds") aggregating
19 One Million Three Hundred Ninety-Five Thousand Dollars (\$1,395,000) in principal amount,
20 which are of the denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof.
21 The Bonds mature serially in installments on the 1st days of May in each of the years 2012 to
22 2021, inclusive, as follows:

23

1

Year of Maturity (May)	Preliminary Principal Amount	Year of Maturity (May)	Preliminary Principal Amount
2012	\$115,000	2017	\$140,000
2013	\$135,000	2018	\$140,000
2014	\$135,000	2019	\$150,000
2015	\$135,000	2020	\$155,000
2016	\$135,000	2021	\$155,000

2

3 The Bonds are numbered from one (1) consecutively upwards in the order of their maturities, are
4 of like tenor except as to amount, maturity, number and interest rate, are issued pursuant to and
5 in full conformity with the provisions of the Charter of the City of Aberdeen, as amended, and by
6 virtue of due proceedings had and taken by the Council of the City of Aberdeen particularly,
7 Ordinance No. 11-O-10 enacted on September 12, 2011, and a Resolution adopted on October
8 10, 2011.

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

13 The Bonds are not subject to redemption prior to maturity.

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

19 It is hereby certified and recited that each and every act, condition and thing required to
20 exist, to be done, to have happened and to be performed precedent to and in the issuance of this

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

10 IN WITNESS WHEREOF the City, has caused this bond to be executed in its name by
11 the manual or facsimile signature of the Mayor, which signature has been imprinted thereon, and
12 has also caused of its corporate seal or a facsimile thereof to be imprinted or otherwise
13 reproduced hereon, attested by the manual or facsimile signature of the City Clerk, and the
14 manual signature of an authorized officer of the Bond Registrar, all as of the ____ of November,
15 2011.

16 ATTEST:

CITY OF ABERDEEN

17
18 _____
19 Monica A. Correll
20 City Clerk

By: _____
Michael E. Bennett
Mayor

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CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of the City of Aberdeen Refunding Bonds, Series 2011 (taxable).

Authorized Officer

(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>
_____	_____	_____
_____	_____	_____
_____	_____	_____

1 ASSIGNMENT

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

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5 (please insert name and address of the assignee)
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7 _____
8

9 (Tax Identification or Social Security No. _____)
10

11 the within bond, and hereby irrevocably constitutes and appoints

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14 attorney to transfer the within bond on the books kept for registration thereof, with full power of
15 substitution in the premises.

16 Date: _____

17 Signature guaranteed: _____
18

19 _____
20 NOTICE: Signature must be
21 guaranteed by a member firm of the
22 New York Stock Exchange or a
23 commercial bank or trust company
24

25 _____
26 NOTICE: The signature on this
27 Assignment must correspond with
28 the name of the registered owner as
29 it appears on the face of the within
30 bond in every particular, without
31 alteration or enlargement or
32 any change whatever.