

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2015-210

BY: Mayor Perciak and All Members of Council

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$12,630,000 FOR THE PURPOSE OF PAYING COSTS OF ADVANCE REFUNDING CERTAIN OF THE CITY'S OUTSTANDING VARIOUS PURPOSE BONDS, SERIES 2009, DATED AS OF MAY 13, 2009, WHICH PORTION WAS ISSUED FOR THE PURPOSE OF (i) RENOVATING, EXPANDING, CONSTRUCTING AN ADDITION TO, IMPROVING THE SITE OF, FURNISHING, EQUIPPING AND OTHERWISE IMPROVING THE MUNICIPAL COMPLEX LOCATED AT 18688 ROYALTON ROAD TO HOUSE POLICE, JAIL AND LAW ENFORCEMENT FACILITIES AND OTHER MUNICIPAL OFFICES AND FUNCTIONS, (ii) IMPROVING, IN COOPERATION WITH CUYAHOGA COUNTY, THE INTERSECTION OF DRAKE ROAD AND HOWE ROAD AND THE APPROACHES TO THAT INTERSECTION IN THE CITY BY GRADING, DRAINING, WIDENING, PAVING, CONSTRUCTING CURBS, INSTALLING STORM SEWERS, CATCH BASINS, MANHOLES, FIRE HYDRANTS AND TRAFFIC CONTROL DEVICES, ACQUIRING ANY NECESSARY REAL ESTATE OR INTERESTS THEREIN, AND OTHERWISE IMPROVING THE SAME, ALL TOGETHER WITH THE NECESSARY APPURTENANCES THERETO, (iii) IMPROVING THE CITY'S RECREATION SYSTEM BY ACQUIRING REAL ESTATE AND INTERESTS THEREIN, AND (iv) IMPROVING, IN COOPERATION WITH CUYAHOGA COUNTY, THE INTERSECTION OF ROYALTON ROAD AND WEST 130TH STREET AND THE APPROACHES TO THAT INTERSECTION IN THE CITY BY GRADING, DRAINING, WIDENING, PAVING, LIGHTING, CONSTRUCTING CURBS, INSTALLING SANITARY SEWERS, STORM SEWERS, CATCH BASINS, MANHOLES AND TRAFFIC CONTROL DEVICES, ACQUIRING ANY NECESSARY REAL ESTATE OR INTERESTS THEREIN, AND OTHERWISE IMPROVING THE SAME, ALL TOGETHER WITH THE NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Ordinance No. 2009-030, passed February 17, 2009, and Ordinance No. 2009-065, passed April 20, 2009 (collectively the Original Bond Legislation), the City issued its Various Purpose Bonds, Series 2009, dated as of May 13, 2009 (the 2009 Bonds), as a consolidated issue pursuant to Section 133.30(B) of the Revised Code in the aggregate principal amount of \$17,985,000, for various purposes, including those identified in Section 2 as Project No. 1, Project No. 2, Project No. 3 and Project No. 4 with the total principal amount of the 2009 Bonds attributable to Project No. 1 being \$13,000,000, to Project No. 2 being \$1,550,000, to Project No. 3 being \$1,455,000, and to Project No. 4 being \$445,000; and

WHEREAS, the principal amount of the 2009 Bonds allocated to the other improvements funded by the 2009 Bonds has been fully paid and is no longer outstanding; and

WHEREAS, on September 22, 2015 the City of Strongsville sold bonds that are to be issued on October 22, 2015, the proceeds of which advance refund the 2009 Bonds maturing on December 1 in the years 2023, 2024, 2025 and 2026; and

WHEREAS, this Council finds and determines that it is necessary and in the best interest of the City to advance refund at a lower overall interest cost all or a portion of the 2009 Bonds maturing on December 1 in the years 2019, 2020, 2021, 2022, 2028, 2030, 2031, 2032, 2033 and 2034, which portion of the 2009 Bonds were issued for, and include only Projects identified as Project No. 1, Project No. 2, Project No. 3 and Project No. 4 in Section 2, all as set forth and further described in the Original Bond Legislation, and to issue the Bonds described in Section 2 to provide funds sufficient, together with any other amounts available to the City, for that purpose, including the payment of expenses related to that refunding and to the issuance of the Bonds; and

WHEREAS, the Director of Finance, as fiscal officer of this City, has certified to this Council that the estimated life or period of usefulness of each of Project No. 1, Project No. 2, Project No. 3 and Project No. 4, as described in Section 2 is at least five years, that the estimated maximum maturity of the bonds described in Section 2 with respect to Project No. 1 is at least December 1, 2034 and with respect to each of Project No. 2, Project No. 3 and Project No. 4 is at least December 1, 2029;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STRONGSVILLE, CUYAHOGA COUNTY, OHIO, that:

Section 1. Definitions and Interpretations. In addition to the words and terms elsewhere defined in this ordinance, unless the context or use clearly indicates another or different meaning or intent:

“Authorized Denominations” means (a) with respect to Capital Appreciation Bonds, if any, the denomination equal to the principal amount that, when interest is accrued and compounded thereon at the applicable compounding interest rate on each Interest Accretion Date to the stated maturity of those Bonds, will result in a Maturity Amount of \$5,000 or any integral multiple thereof and (b) with respect to Current Interest Bonds, the denomination of \$5,000 or any integral multiple thereof.

“Bond proceedings” means, collectively, this ordinance, the Certificate of Award, the Continuing Disclosure Agreement and such other proceedings of the City, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

“Bond Register” means all books and records necessary for the registration, exchange and transfer of Bonds as provided in Section 5.

“Bond Registrar” means the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds appointed pursuant to Section 4 until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, “Bond Registrar” shall mean the successor Bond Registrar.

“Book-entry form” or “book-entry system” means a form or system under which (a) the ownership of book-entry interests in Bonds and the principal of and interest on Bonds may be transferred only through a book-entry, and (b) physical Bond certificates in fully registered form are issued by the City only to a Depository or its nominee as registered owner, with the Bonds deposited with and maintained in the custody of the Depository or its agent. The book-entry

maintained by others than the City is the record that identifies the owners of book-entry interests in those Bonds and that principal and interest.

“Capital Appreciation Bonds” means any Bonds designated as such in the Certificate of Award, maturing on the Principal Payment Dates, being in the principal amounts and having the Maturity Amounts, all as set forth therein, and bearing interest accrued and compounded on each Interest Accretion Date and payable at maturity.

“Certificate of Award” means the certificate authorized by subsection (a) of Section 6, to be executed by the Director of Finance, setting forth and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this ordinance requires or authorizes to be set forth or determined therein.

“Closing Date” means the date of physical delivery of, and payment of the purchase price for, the Bonds, which date shall not be later than December 31, 2016.

“Code” means the Internal Revenue Code of 1986, the Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Compound Accreted Amount” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus interest accrued and compounded on each Interest Accretion Date to the date of maturity or other date of determination. The Compound Accreted Amount of a Capital Appreciation Bond as of any date other than an Interest Accretion Date is the sum of (a) the Compound Accreted Amount for that Bond on the immediately preceding Interest Accretion Date plus (b) the product of (i) the difference between (A) the Compound Accreted Amount of that Bond on the immediately preceding Interest Accretion Date minus (B) the Compound Accreted Amount of that Bond on the immediately succeeding Interest Accretion Date, times (ii) the ratio of (C) the number of days from the immediately preceding Interest Accretion Date to the date of determination to (D) the total number of days from that immediately preceding Interest Accretion Date to the immediately succeeding Interest Accretion Date; provided, however, that in determining the Compound Accreted Amount of a Capital Appreciation Bond as of a date prior to the first Interest Accretion Date, the Closing Date shall be deemed to be the immediately preceding Interest Accretion Date and the principal amount of that Bond shall be deemed to be the Compound Accreted Amount on the Closing Date.

“Continuing Disclosure Agreement” means the agreement authorized by subsection (c) of Section 6, which, together with the agreements of the City set forth in that subsection, shall constitute the Continuing Disclosure Agreement made by the City for the benefit of holders and beneficial owners of the Bonds in accordance with the Rule.

“Current Interest Bonds” means, collectively, the Current Interest Serial Bonds and the Term Bonds.

“Current Interest Serial Bonds” means those Current Interest Bonds designated as such and maturing on the Principal Payment Dates set forth in the Certificate of Award, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book-entry system to record ownership of book-entry interests in Bonds or the principal of and interest on Bonds, and to effect transfers of Bonds, in book-entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Escrow Agreement” means the Escrow Agreement between the City and the Escrow Trustee, as it may be modified from the form on file with the Clerk of Council and executed by the Director of Finance in accordance with Section 7.

“Escrow Trustee” means the escrow trustee for the refunding of the Refunded Bonds appointed pursuant to Section 7 until a successor Escrow Trustee shall have become such pursuant to the provisions of the Escrow Agreement and, thereafter, “Escrow Trustee” shall mean the successor Escrow Trustee.

“Interest Accretion Dates” means, as to any Capital Appreciation Bonds, each June 1 and December 1 in the years during which any Capital Appreciation Bonds are outstanding, commencing on the first such date set forth in the Certificate of Award.

“Interest Payment Dates” means (a) as to Current Interest Bonds, June 1 and December 1 of each year during which the Current Interest Bonds are outstanding, commencing on the first such date set forth in the Certificate of Award, which first date shall not be later than December 1, 2017, and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

“Maturity Amount” means, with respect to a Capital Appreciation Bond, the principal of and interest on that Bond due and payable at its stated maturity.

“Original Purchaser” means The Huntington Investment Company, or such other entity or entities as may be designated by the Director of Finance in the Certificate of Award.

“Participant” means any participant contracting with a Depository under a book-entry system and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Principal Payment Dates” means December 1 in each of the years designated by the Director of Finance in the Certificate of Award, commencing no later than December 1, 2017 and ending no later than December 1, 2034.

“Purchase Agreement” means the Bond Purchase Agreement between the City and the Original Purchaser, as it may be modified from the form on file with the Clerk of Council and executed by the Director of Finance in accordance with Section 6.

“Registrar Agreement” means the Bond Registrar Agreement between the City and the Bond Registrar, as it may be modified from the form on file with the Clerk of Council and executed by the Director of Finance in accordance with Section 4.

“Rule” means Rule 15c2-12 prescribed by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

“Term Bonds” means those Current Interest Bonds designated as such and maturing on the Principal Payment Date or Dates set forth in the Certificate of Award, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

The captions and headings in this ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this ordinance unless otherwise indicated.

Section 2. Authorized Principal Amount and Purpose. It is necessary to issue bonds of this City in a maximum aggregate principal amount of \$12,630,000 (the Bonds) for the purpose of paying costs of advance refunding certain of the City’s Various Purpose Bonds, Series 2009, dated as of May 13, 2009 (the Refunded Bonds), which portion was issued for the purpose of (i) renovating, expanding, constructing an addition to, improving the site of, furnishing, equipping and otherwise improving the municipal complex located at 18688 Royalton Road to house police, jail and law enforcement facilities and other municipal offices and functions (Project No. 1), (ii) improving, in cooperation with Cuyahoga County, the intersection of Drake Road and Howe Road and the approaches to that intersection in the City by grading, draining, widening, paving, constructing curbs, installing storm sewers, catch basins, manholes, fire hydrants and traffic control devices, acquiring any necessary real estate or interests therein, and otherwise improving the same, all together with the necessary appurtenances thereto (Project No. 2), (iii) improving the City’s recreation system by acquiring real estate and interests therein (Project No. 3), and (iv) improving, in cooperation with Cuyahoga County, the intersection of Royalton Road and West 130th Street and the approaches to that intersection in the City by grading, draining, widening, paving, lighting, constructing curbs, installing sanitary sewers, storm sewers, catch basins, manholes and traffic control devices, acquiring any necessary real estate or interests therein, and otherwise improving the same, all together with the necessary appurtenances thereto (Project No. 4), and to pay expenses related to the issuance of the Bonds and the advance refunding of the Refunded Bonds. For internal accounting purposes of the City, that maximum principal amount of Bonds is hereby allocated and attributed to the extent of a maximum of: \$10,665,000 with respect to Project No. 1; \$860,000 with respect to Project No. 2; \$845,000 with respect to Project No. 3; and \$260,000 with respect to Project No. 4.

The principal maturities of the 2009 Bonds to be advance refunded shall be selected by the Director of Finance (and which principal maturities so selected thereupon shall constitute Refunded Bonds hereunder as defined in the preambles hereto) and set forth in Certificate of Award based on market conditions existing at that time and which he shall determine to be in the best interest of and financial advantages to the City, which principal maturities must be all or a portion of the 2009 Bonds maturing on December 1 in the years 2019, 2020, 2021, 2022, 2028, 2030, 2031, 2032, 2033 and 2034.

The aggregate principal amount of Bonds to be issued shall not exceed \$12,630,000 and shall be in an amount determined by the Director of Finance to be the aggregate principal amount of Bonds that is required to be issued, taking into account the purchase price of the Bonds, in order to effect the purpose for which the Bonds are to be issued, and also taking into

account his determination of the 2009 Bonds to be Refunded Bonds, including the payment of expenses relating to the advance refunding of the Refunded Bonds and the issuance of the Bonds, which amount shall be set forth in the Certificate of Award.

Subject to the limitations set forth in this ordinance, the aggregate principal amount of the Bonds to be issued, the principal maturities of and principal payment schedule for the Bonds, the interest rate or rates that the Bonds shall bear and certain other terms and provisions of the Bonds identified in this ordinance are subject to further specification or determination in the Certificate of Award upon the finalization of the terms and provisions of the Bonds.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be designated as "Various Purpose Refunding Bonds, Series 2016," or such other designation as set forth in the Certificate of Award, and shall be issued in one lot and only as fully registered bonds, in the Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The respective principal amounts of the Bonds to be issued as Current Interest Bonds and Capital Appreciation Bonds (if any Bonds are issued as Capital Appreciation Bonds) shall be determined by the Director of Finance in the Certificate of Award, having due regard to the best interest of and financial advantages to the City. The Current Interest Bonds shall be dated as of the Closing Date, or such other date as may be established by the Director of Finance in the Certificate of Award, and any Capital Appreciation Bonds shall be dated as of the Closing Date.

(a) Interest Rates and Payment Dates. The Current Interest Bonds shall bear the rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 6.5% per year for any stated maturity, as shall be specified by the Director of Finance (subject to the provisions of subsection (c) of this Section) in the Certificate of Award. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date until the principal amount has been paid or provided for. The Current Interest Bonds shall bear interest from the most recent date to which interest has been paid or provided for, or, if no interest has been paid or provided for, from their date.

Any Capital Appreciation Bonds shall bear interest from the Closing Date at the compounding rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10.0% per year for any stated maturity, accrued and compounded on each Interest Accretion Date and payable at maturity, which will result in the aggregate Maturity Amounts payable at maturity, as shall be specified by the Director of Finance (subject to the provisions of subsection (c) of this Section) in the Certificate of Award; provided, that all Capital Appreciation Bonds of the same maturity shall bear the same compounding rate of interest. The total interest accrued on any Capital Appreciation Bond as of any particular date shall be an amount equal to the amount by which the Compound Accreted Amount of that Capital Appreciation Bond as of that date exceeds the principal amount of that Capital Appreciation Bond.

(b) Principal Payment Schedule. (i) The Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements (as hereinafter defined and described) on the Principal Payment Dates in the following principal amounts (based on an estimated principal amount of \$12,525,000):

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2016	\$ 125,000	2026	\$ 90,000
2017	100,000	2027	1,400,000
2018	100,000	2028	1,435,000
2019	310,000	2029	1,480,000
2020	350,000	2030	1,130,000
2021	395,000	2031	1,165,000
2022	435,000	2032	1,210,000
2023	85,000	2033	1,250,000
2024	85,000	2034	1,290,000
2025	90,000		

; provided that, subject to the limitations set forth in Section 2 and subsection (c) of this Section, the principal amount of Bonds payable on any one or more of the Principal Payment Dates may be increased or decreased and the Principal Payment Dates may be adjusted consistent with the terms and parameters of this ordinance, as specified by the Director of Finance in the Certificate of Award. The Director of Finance shall allocate the principal payment schedule to each Project in the Certificate of Award (which may be rounded to Authorized Denominations) by reference to the respective principal amount then outstanding for each Project, consistent with the Original Bond Legislation and the related certificate of award for the 2009 Bonds, and subject to the maximum principal amount for each Project set forth in Section 2.

(ii) Consistently with the provisions of (b)(i) above and (c) below and in accordance with that officer's determination of the best interest of and financial advantages to the City, the Director of Finance shall specify in the Certificate of Award (A) the aggregate principal amount of Bonds to be issued, (B) the aggregate principal amount of Bonds to be issued as Current Interest Bonds, (C) the aggregate principal amount of Current Interest Bonds to be issued as Current Interest Serial Bonds, the Principal Payment Dates on which those Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date, (D) the aggregate principal amount of Current Interest Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, the principal amount thereof that shall be stated to mature on each such Principal Payment Date, the Principal Payment Date or Dates on which Term Bonds shall be subject to mandatory sinking fund redemption (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date, and (E) the aggregate principal amount of any Bonds to be issued as Capital Appreciation Bonds and the corresponding aggregate Maturity Amount thereof, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, and the principal amount and corresponding Maturity Amount thereof that shall be payable on each such Principal Payment Date.

(c) Conditions for Establishment of Interest Rates and Principal Payment Dates and Amounts. The rate or rates of interest per year to be borne by the Current Interest Bonds and the compounding rate or rates of interest per year to be borne by any Capital Appreciation Bonds, and the principal amount of Current Interest Bonds maturing or payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Principal Payment Date and the Maturity Amount of any

Capital Appreciation Bonds payable on each Principal Payment Date, shall be such that (i) there is at least \$5,000 maturing on any Principal Payment Date, (ii) the aggregate principal and interest payments to be made on the Bonds are less than the aggregate principal and interest payments that would remain to be made on the Refunded Bonds in the absence of any call for optional redemption of the Refunded Bonds, and (iii) the principal amount allocated to each Project shall be retired in full by the maximum maturity date for that portion of the principal amount, as specified above.

(d) Payment of Debt Charges. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on the Current Interest Bonds, and principal of and interest on any Capital Appreciation Bonds, shall be payable when due upon presentation and surrender of the Bonds at the principal corporate trust office of the Bond Registrar, or such other office designated by the Bond Registrar and approved by the Director of Finance. Interest on a Current Interest Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date. Notwithstanding the foregoing, if and so long as the Bonds are issued in a book-entry system, principal of and interest and any premium on the Bonds shall be payable in the manner provided in any agreement entered into by the Director of Finance, in the name and on behalf of the City, in connection with the book-entry system.

(e) Redemption Provisions. Any Capital Appreciation Bonds shall not be subject to redemption prior to stated maturity. Except as otherwise provided in the Certificate of Award consistently with the determination by the Director of Finance of the best interest of and financial advantages to the City, the Current Interest Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Current Interest Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption in part by lot and be redeemed pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts, the Mandatory Sinking Fund Redemption Requirements).

The aggregate of the moneys to be deposited with the Bond Registrar for payment of principal of and interest on the Bonds on each Mandatory Redemption Date shall include an amount sufficient to redeem on that Date the principal amount of Term Bonds payable on that Date pursuant to Mandatory Sinking Fund Redemption Requirements (less the amount of any credit as hereinafter provided).

The City shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the City, as specified by the Director of Finance, for Term

Bonds stated to mature on the same Principal Payment Date as the Term Bonds so delivered. That option shall be exercised by the City on or before the forty-fifth day preceding any Mandatory Redemption Date with respect to which the City wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Director of Finance, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date as the Term Bonds so delivered. If the certificate is not timely furnished to the Bond Registrar, the current Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the Director of Finance, also shall be received by the City for any Term Bonds which prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Director of Finance, for Term Bonds stated to mature on the same Principal Payment Date as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. If determined in the Certificate of Award to be in the best interest of and financially advantageous to the City, the Current Interest Bonds or portions thereof as designated and set forth in the Certificate of Award shall be subject to prior redemption by and at the sole option of the City, in whole or in part on any date, in integral multiples of \$5,000 at the optional redemption dates and at the redemption prices (expressed as a percentage of the principal amount redeemed) specified in the Certificate of Award plus, in each case, accrued interest to the redemption date, provided the earliest optional redemption date shall not be earlier than December 1, 2020 and the highest redemption price shall not be greater than 102%.

If optional redemption of Term Bonds at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any Mandatory Redemption Date applicable to those Term Bonds, the Term Bonds, or portions thereof, to be redeemed optionally shall be selected by lot prior to the selection by lot of the Term Bonds of the same maturity to be redeemed on the same date by operation of the Mandatory Sinking Fund Redemption Requirements. Bonds to be redeemed pursuant

to this paragraph shall be redeemed only upon written notice from the Director of Finance to the Bond Registrar, given upon the direction of this City Council by adoption of a resolution or passage of an ordinance. That notice shall specify the redemption date and the principal amount of each maturity of Bonds to be redeemed, and shall be given to the Bond Registrar at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity or interest rate within a maturity are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates selected by the City. If fewer than all of the Bonds of a single maturity and interest rate within a maturity are to be redeemed, the selection of such Bonds to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then, upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (i) for payment of the redemption price of the \$5,000 unit or units of principal amount called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (ii) for issuance, without charge to the registered owner, of a new Bond or Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the fifteenth day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of subsection (d) of Section 3, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the City to the extent not required for the payment of the Bonds called for redemption.

Section 4. Execution and Authentication of Bonds; Appointment of Bond Registrar.

The Bonds shall be signed by the Mayor and the Director of Finance, in the name of the City and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Director of Finance, shall be numbered as determined by the Director of Finance in order to distinguish each Bond from any other Bond and to distinguish Current Interest Bonds from any Capital Appreciation Bonds, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this ordinance and the Certificate of Award.

The Huntington National Bank, Columbus, Ohio, is appointed to act as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds, provided, however, that the Director of Finance is authorized to appoint, in the Certificate of Award, a different Bond Registrar, after determining that any such bank or trust company appointed as Bond Registrar will not endanger the funds or securities of the City and that any such appointment is in the best interest of and financially advantageous to the City. The Director of Finance shall sign and deliver, in the name and on behalf of the City and in that officer's official capacity, the Registrar

Agreement between the City and the Bond Registrar, in substantially the form as is now on file with the Clerk of Council. The Registrar Agreement is approved, together with any changes or amendments that are not inconsistent with this ordinance and not substantially adverse to the City and that are approved by the Director of Finance on behalf of the City, all of which shall be conclusively evidenced by the signing of the Registrar Agreement or amendments thereto. The Director of Finance shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Director of Finance on behalf of the City. The same person need not sign the certificate of authentication on all of the Bonds.

Section 5. Registration; Transfer and Exchange; Book-Entry System.

(a) Bond Registrar. So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep the Bond Register at its principal corporate trust office, or such other office designated by the Bond Registrar and approved by the Director of Finance. Subject to the provisions of subsection (d) of Section 3 and subsection (c) of Section 6, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Subject to any inhibitions during any period in which the Bonds are in book-entry form, any Bond may be (i) exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the principal corporate trust office of the Bond Registrar, or such other office designated by the Bond Registrar and approved by the Director of Finance, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar, and (ii) transferred only on the Bond Register upon presentation and surrender of the Bond at the principal corporate trust office, or such other office designated by the Bond Registrar and approved by the Director of Finance, together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of Bonds exchanged or transferred, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer. Neither the City nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

(c) Book-Entry System. Notwithstanding any other provisions of this ordinance, if the Director of Finance determines in the Certificate of Award that it is in the best interest of and financially advantageous to the City, the Bonds may be issued in book-entry form in accordance with the following provisions of this Section.

The Bonds may be issued to a Depository for use in a book-entry system and, if and so long as a book-entry system is utilized, (i) the Bonds may be issued in the form of a single, fully registered Bond representing each maturity and registered in the name of the Depository or its designated nominee, as registered owner, and deposited with and retained in the custody of the Depository or its agent, which may be the Bond Registrar; (ii) the owners of book-entry interests in Bonds shall not have any right to receive Bonds in the form of physical securities or certificates; (iii) ownership of book-entry interests in Bonds shall be shown by book-entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book-entry interests shall be made only by book-entry by the Depository and its Participants; and (iv) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book-entry system, the Director of Finance may attempt to establish a securities depository/book-entry relationship with another qualified Depository. If the Director of Finance does not or is unable to do so, the Director of Finance, after making provision for notification of the book-entry interest owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Bonds from the Depository, and shall cause Bond certificates in registered form to be authenticated by the Bond Registrar and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of City action or inaction, of those persons requesting such issuance.

The Director of Finance is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book-entry system for the Bonds, including the execution of a Blanket Issuer Letter of Representations in the form utilized by The Depository Trust Company.

Section 6. Sale of the Bonds.

(a) To the Original Purchaser. The Bonds shall be sold at private sale to the Original Purchaser at a purchase price not less than 97% of the aggregate principal amount thereof plus any accrued interest on the Current Interest Bonds from their date to the Closing Date, as shall be determined by the Director of Finance in the Certificate of Award, and shall be awarded by the Director of Finance with and upon such other terms as are required or authorized by this ordinance to be specified in the Certificate of Award, in accordance with law, the provisions of this ordinance and the Purchase Agreement.

The Director of Finance shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The Mayor, the Director of Finance, the Director of Law, the Clerk of Council (including within the meaning of each such office for purposes of this ordinance any person serving in an interim or acting capacity with respect to such office), and other City officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance. The Director of Finance is authorized, if it is determined to be in the best interest of the City, to combine the issue of Bonds with one or more other unvoted bond issues of the City into a consolidated bond issue pursuant to Section 133.30(B) of the Revised Code.

The Director of Finance shall sign and deliver, in the name and on behalf of the City and in that officer's official capacity, the Purchase Agreement between the City and the Original Purchaser, in substantially the form as is now on file with the Clerk of Council, providing for the sale of the Bonds to, and the purchase of the Bonds by, the Original Purchaser. The Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this ordinance or the Certificate of Award and not substantially adverse to the City and that are approved by the Director of Finance on behalf of the City, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments thereto.

(b) Primary Offering Disclosure -- Official Statement. The Mayor and the Director of Finance are authorized and directed, in the name and on behalf of the City and in their official capacities, to (i) prepare or cause to be prepared, and make or authorize modifications, completions or changes of or supplements to, a disclosure document in the form of an official statement (including within such term, but not limited to, an annual information statement) relating to the original issuance of the Bonds, (ii) determine, and to certify or otherwise represent, when the official statement is to be "deemed final" (except for permitted omissions) by the City as of its date or is a final official statement for purposes of paragraph (b) of the Rule, (iii) use and distribute, or authorize the use and distribution of those official statements and any supplements thereto in connection with the original issuance of the Bonds, and (iv) complete and sign the final official statement together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of those official statements as they may deem necessary or appropriate.

(c) Agreement to Provide Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Bonds, the City agrees to provide or cause to be provided such financial information and operating data, audited financial statements and notices

of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The Mayor and the Director of Finance are authorized and directed, in the name and on behalf of the City and in their official capacities, to complete, sign and deliver the Continuing Disclosure Agreement in substantially the form as is now on file with the Clerk of Council. The Continuing Disclosure Agreement is approved, together with any changes or amendments that are not inconsistent with this ordinance and not substantially adverse to the City and that are approved by the Mayor and the Director of Finance on behalf of the City, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement.

The Director of Finance is further authorized and directed to establish procedures in order to ensure compliance by the City with its Continuing Disclosure Agreement, including timely provision of information and notices as described above. Prior to making any filing required under the Rule, the Director of Finance shall consult with and obtain legal advice from, as appropriate, the Director of Law and bond or other qualified independent special counsel selected by the City. The Director of Finance, acting in the name and on behalf of the City, shall be entitled to rely upon any such legal advice in determining whether a filing should be made. The performance by the City of its Continuing Disclosure Agreement shall be subject to the annual appropriation of any funds that may be necessary to perform it.

(d) Application for Rating. If, in the judgment of the Mayor or the Director of Finance, the filing of an application for a rating on the Bonds by one or more nationally-recognized rating agencies is in the best interest of and financially advantageous to this City, the Mayor or the Director of Finance may prepare and submit those applications, provide to each such agency such information as may be required for the purpose, and provide further for the payment of the cost of obtaining each such rating, except to the extent paid by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose.

(e) Application of Proceeds from Sale of Bonds. The proceeds from the sale of the Bonds received by the City, except any accrued interest, shall be paid into the proper fund or funds as further described herein, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued, including the refunding and redemption of the Refunded Bonds as further described herein. Any portion of those proceeds received by the City representing accrued interest shall be paid into the Bond Retirement Fund. The expenditure of amounts necessary to pay financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds is authorized and approved.

Section 7. Redemption of Refunded Bonds; Escrow Agreement; Escrow Fund. This City Council determines that, subject to the determination of the Director of Finance that interest rates available on the sale date for the Bonds will enable the City to obtain sufficient debt service savings on the Refunded Bonds, it is necessary and in the best interest of the City to advance refund the Refunded Bonds and to redeem the Refunded Bonds by optional redemption on December 1, 2018 (the Redemption Date) at a redemption price of 100% of the principal amount thereof, plus any accrued interest to the Redemption Date, all in accordance with the Original Bond Legislation. The Director of Finance is authorized and directed to give to the entity presently serving as the bond registrar and paying agent for the Refunded Bonds, on or promptly after the Closing Date, written notice of the call for redemption of the Refunded Bonds on the Redemption Date, and the Refunded Bonds shall be redeemed in accordance with the provisions of the Original Bond Legislation and the

Escrow Agreement on the Redemption Date. The City covenants for the benefit of the holders of the Refunded Bonds and of the Bonds, that it will at no time on or after the Closing Date take actions to modify or rescind that call for prior redemption, and that it will take, and will cause the bond registrar and paying agent for the Refunded Bonds to take, all steps required by the terms of the Refunded Bonds to make and perfect that call for prior redemption.

The Huntington National Bank is authorized and appointed to act as the Escrow Trustee with respect to the advance refunding of the Refunded Bonds. The Escrow Trustee is authorized and directed to cause notice of the advance refunding of the Refunded Bonds to be given in accordance with the Escrow Agreement. The Director of Finance shall sign and deliver, in the name and on behalf of the City and in that officer's official capacity, the Escrow Agreement, in substantially the form as is now on file with the Clerk of Council. The Escrow Agreement is approved, together with any changes or amendments that are not inconsistent with this ordinance and not substantially adverse to the City and that are approved by the Director of Finance on behalf of the City, all of which shall be conclusively evidenced by the signing of the Escrow Agreement or amendments thereto. The Director of Finance shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Escrow Agreement, except to the extent paid by the Original Purchaser in accordance with the Bond Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from and other funds lawfully available and that are appropriated or shall be appropriated for that purpose.

There is created under the Escrow Agreement a trust fund which shall be held and maintained by the Escrow Trustee in trust for the registered owners of the Refunded Bonds and is pledged for the payment of principal of and interest on the Refunded Bonds, all in accordance with the provisions of the Escrow Agreement. The Director of Finance is hereby authorized and directed to pay, or cause to be paid, to the Escrow Trustee for deposit in the Escrow Fund (i) all of the proceeds from the sale of the Bonds, except any proceeds to be used for the payment of any expenses properly allocable to the refunding of the Refunded Bonds or the issuance of the Bonds as determined by the Director of Finance, any accrued interest, and any amount of those proceeds set forth in the Certificate of Award as representing additional premium from the sale of the Bonds and not needed for deposit in the Escrow Fund or for the payment of those expenses, which amount shall be deposited in the Bond Retirement Fund, and (ii) such amount, if any, as may be set forth in the Certificate of Award as on deposit in the Bond Retirement Fund or otherwise available to be used to provide for the refunding of the Refunded Bonds. Those funds are appropriated and shall be applied to pay principal of and interest on the Refunded Bonds, all as provided in the Escrow Agreement. The securities deposited into the Escrow Fund shall be certified by an independent accounting firm to be selected by the Director of Finance (the "Verification Agent"), to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or interest earnings therefrom together with any such cash deposited with and to be retained in that form by the Escrow Trustee, be sufficient to pay the principal of and interest and any redemption premium on the Refunded Bonds through the date of redemption.

The funds so deposited in the Escrow Fund shall be (a) held in cash to the extent that they are not needed to make the investments hereinafter described and (b) invested in direct obligations of, or obligations guaranteed as to payment by, the United States of America (within the meaning of Section 133.34(D) of the Revised Code) that mature or are subject to redemption by and at the option of the holder, in amounts sufficient, together with any uninvested cash in the Escrow Fund but without further investment or reinvestment, for the payment of (i) interest when due on the

Refunded Bonds on each date on which interest is due from the first such date following the Closing Date to and including their redemption, and (ii) the principal of all of the Refunded Bonds when due following the Closing Date and upon their redemption, as provided in the Escrow Agreement. After the redemption of, and payment in full of the principal of and interest on, the Refunded Bonds, any moneys remaining in the Escrow Fund shall be transferred to the Bond Retirement Fund.

If U.S. Treasury Securities -- State and Local Government Series are to be purchased for the Escrow Fund, the Escrow Trustee is hereby specifically authorized to file, on behalf of the City, subscriptions for the purchase and issuance of those U.S. Treasury Securities - State and Local Government Series and any actions heretofore taken by the Escrow Trustee in connection therewith are hereby ratified, approved and confirmed. If, in the judgment of the Director of Finance, an open-market purchase of obligations described in (b) in the preceding paragraph for the Escrow Fund is in the best interest of and financially advantageous to this City, the Director of Finance or any other officer of the City, on behalf of the City and in his official capacity, may purchase and deliver such obligations, engage the services of a financial advisor, bidding agent or similar entity for the purpose of facilitating the bidding, purchase and delivery of such obligations for, and any related structuring of, the Escrow Fund, execute such instruments as are deemed necessary to engage such services for such purpose, and provide further for the payment of the cost of obtaining such services, except to the extent paid by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose. Any actions heretofore taken by any of those officers in connection with the foregoing are hereby ratified and approved.

If the City determines to refund other outstanding unvoted general obligation bonds (collectively, the Other Refunded Obligations) contemporaneously with the refunding of the Refunded Bonds, the proceeds from the sale of bonds and other funds necessary and sufficient for that purpose may be deposited in the Escrow Fund and commingled and invested with the proceeds of the Bonds and other funds necessary and sufficient for the refunding of the Refunded Bonds. In that event, the Escrow Fund shall be held and maintained by the Escrow Trustee in trust for the registered owners of the Refunded Bonds and the Other Refunded Obligations and pledged to the payment of principal of and interest and redemption premium on the Refunded Bonds and the Other Refunded Obligations.

Section 8. Provisions for Tax Levy. There shall be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

Section 9. Federal Tax Considerations. The Director of Finance may, if he determines it to be in the best interest of and financial advantage to the City given current market conditions,

determine not to issue any portion of the Bonds as tax-exempt obligations, meaning that the interest on that portion of Bonds is not excluded from gross income for federal tax purposes, any such determination to be indicated in the Certificate of Award. The representations and covenants in this Section apply only to Bonds that are issued as tax-exempt obligations. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code or (ii) be treated other than as bonds to which Section 103 of the Code applies, and (b) the interest thereon will not be an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Director of Finance, as the fiscal officer, or any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation (including designation or treatment of the Bonds as "qualified tax-exempt obligations"), choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment or status of the Bonds and interest thereon.

Each covenant made in this Section with respect to the Bonds is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Bonds (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Bonds from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this Section to take with respect to the Bonds.

Section 10. Retention of Bond Counsel. In connection with the issuance of the Bonds, the legal services of Squire Patton Boggs (US) LLP, as bond counsel, are retained pursuant to an engagement letter which has been delivered to the City by that firm. That engagement letter, and the execution thereof by the Mayor, the Director of Finance, the Director of Law, or any one of them, are hereby authorized, ratified and approved. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county, municipality or other political subdivision, or of this City, or the execution of public trusts.

Section 11. Certification and Delivery of Ordinance and Certificate of Award. The Clerk of Council is directed to deliver promptly a certified copy of this ordinance and a signed copy of the Certificate of Award to the Cuyahoga County Fiscal Officer as soon as each is available.

Section 12. Satisfaction of Conditions for Bond Issuance. This Council determines that all acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the City have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 8) of the City are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 13. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 14. Effective Date. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Bonds, which is necessary to enable the City to timely access the financial markets in order to refund at a lower interest cost the Refunded Bonds and thereby achieve interest rate savings and a preservation of the funds and the credit of the City; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor, provided it receives the

affirmative vote of at least five members of the Council, otherwise it shall take effect and be in force from and after the earliest period allowed by law.

Michael Daymut
President of Council

Approved: Thomas S. Brewer
Mayor

Date Passed: October 19, 2015

Date Approved: October 20, 2015

	<u>Yea</u>	<u>Nay</u>
Carbone	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Daymut	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DeMio	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dooner	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maloney	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schonhut	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Southworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Attest: Aimee Pientko
Clerk of Council

ORD. No. 2015-210 Amended: _____
1st Rdg. 10-19-15 Ref: _____
2nd Rdg. Suspended Ref: _____
3rd Rdg. Suspended Ref: _____

Pub Hrg. _____ Ref: _____
Adopted: 10-19-15 Defeated: _____