

[\$12,580,000]
City of Toledo, Ohio
Capital Improvement and Refunding Bonds, Series 2019
(General Obligation - Limited Tax)

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of [November] 1, 2019 (the Agreement), is made, signed and delivered by the **CITY OF TOLEDO, OHIO**, a municipal corporation and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Ohio (the City), for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the City's [\$12,580,000] Capital Improvement and Refunding Bonds, Series 2019, authorized by Ordinances No. ___-19, No. ___-19 and No. ___-19, each passed by the Council of the City on [September 3], 2019 (collectively, the Bond Ordinances).

RECITAL

The City, by passage of the Bond Ordinances, has determined to issue the Bonds to provide funds for City purposes, and KeyBanc Capital Markets Inc. (the Participating Underwriter) has agreed to provide those funds to the City by purchasing the Bonds. As a condition to the purchase of the Bonds from the City and the sale of Bonds to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the City has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Ordinances, the City covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the Rule).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the City pursuant to, and as described in, Sections 3 and 4.

"Audited Financial Statements" means the audited basic financial statements of the City, prepared in conformity with generally accepted accounting principles.

"Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"EMMA" means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2020.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on January 1 of each year or such other 12-month period as the City shall adopt as its fiscal year.

“Holder” means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Ordinances.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the City is the only Obligated Person for the Bonds.

“Official Statement” means the Official Statement for the Bonds dated October __, 2019.

“Participating Underwriter” means KeyBanc Capital Markets Inc. and any other original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

[“Policy” means the municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by _____ that guarantees the scheduled payment of principal of and interest on the Bonds when due.]

“Specified Events” means any of the events with respect to the Bonds as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The City shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the City may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the City is unable to provide to the MSRB an Annual Filing by the Filing Date, the City shall, in a timely manner, send a notice to the MSRB in an electronic format through EMMA, or as otherwise as prescribed by the MSRB.

Section 4. Content of Annual Filing. The City's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in Part II of the Official Statement (the City's 2018 Annual Information Statement in connection with Bonds and Notes, dated July 31, 2018) under the captions: [**Water System, Sewer System, Storm Water Utility, Financial Reports and Audits, General Fund and Financial Outlook, Certain Major General Fund Revenue Sources, Ad Valorem Property Taxes – Collections, City Debt and Other Long-Term Obligations**, including **Debt Tables**, as applicable; and **Appendices A, B and C**, together with information as to the aggregate assessed valuation of the City and overlapping and City tax rates as set forth in **Tax Tables A and B** under **Ad Valorem Property Taxes**].

(b) The Audited Financial Statements of the City utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the City to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including annual informational statements of the City or official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The City shall provide (or cause to be provided) to the MSRB, in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (a)
- (5) Substitution of credit or liquidity providers, or their failure to perform; (a)
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;

- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers; (b)
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; (c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; *Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.*
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The City has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers [other than the Policy] for the Bonds.*
- (b) *Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*
- (c) *Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13), (14) and (15), the City acknowledges that it must make a determination

whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Amendments. The City reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission, and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature, or status of the City or type of business conducted by the City. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the City shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the City that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the City shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the City chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of this Agreement by the City shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under this Agreement in a court in the County of Lucas, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the City to comply with this Agreement shall first provide at least 30 days' prior written notice to the City of the City's failure, giving reasonable detail of such failure, following which notice the City shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Ordinances, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an

action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. Appropriation. The performance by the City of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the City would be required to incur to perform those obligations. The City shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. Termination. The obligations of the City under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the City remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the City to provide the information and notices of the events described above shall terminate, if and when the City no longer remains such an Obligated Person. If any person, other than the City, becomes an Obligated Person relating to the Bonds, the City shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the City, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Filings and notices of Specified Events and other events including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds shall be deemed to have accepted this Agreement made in accordance with the Rule.

CITY OF TOLEDO, OHIO

By: _____
Wade Kapszukiewicz
Mayor

By: _____
Thomas C. Skrobola
Director of Finance

Approved as to form:

By: _____
Dale Emch
Director of Law

CERTIFICATE – CONTINUING DISCLOSURE AGREEMENT

As fiscal officer of the City of Toledo, Ohio, I certify that the money required to meet the obligations of the City under the Agreement made by the City in accordance with the Rule, as set forth in the Bond Ordinances and the attached Continuing Disclosure Agreement, during Fiscal Year 2019, has been lawfully appropriated by the City for those purposes and is in the City treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Revised Code.

Dated: [November 1], 2019

Thomas C. Skrobola
Director of Finance
City of Toledo, Ohio