# Legislation Details (With Text)

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| **File created:** | 8/5/2019 | | | **In control:** | Finance Department |
| **On agenda:** | 9/3/2019 | | | **Final action:** | 9/3/2019 |

**Title:** Providing for the issuance and sale of bonds in a maximum aggregate principal amount of $4,080,000 for the purpose of refunding for debt service cost savings a portion of the City's outstanding Street Improvement Bonds, Series 2009 (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Payment), dated as of October 15, 2009, that are stated to mature on December 1, 2025; authorizing and directing the call for redemption of all of the refunded bonds; authorizing the execution and delivery of a Bond Registrar Agreement and a Bond Purchase Agreement with respect to the refunding bonds and an Escrow Agreement with respect to the refunding of the refunded bonds, and declaring an emergency.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Fiscal Officer's Certificate, 2. Audio: Agenda Review 8/13/2019, 3. Audio: Budget Oversight 8/14/2019, 4. Audio: City Council 8/20/2019, 5. Audio: Agenda Review 8/27/2019, 6. Audio: City Council Meeting 9/3/2019

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 9/3/2019 | 1 | City Council | | |
| 9/3/2019 | 1 | City Council | | |
| 8/20/2019 | 1 | City Council | First Reading | Pass |

GOBondsRefStreet2009 B
Finance
Bryan Benner x1194/Jamie Takacs x1468
Revised

**Providing for the issuance and sale of bonds in a maximum aggregate principal amount of $4,080,000 for the purpose of refunding for debt service cost savings a portion of the City's outstanding Street Improvement Bonds, Series 2009 (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Payment), dated as of October 15, 2009, that are stated to mature on December 1, 2025; authorizing and directing the call for redemption of all of the refunded bonds; authorizing the execution and delivery of a Bond Registrar Agreement and a Bond Purchase Agreement with respect to the refunding bonds and an Escrow Agreement with respect to the refunding of the refunded bonds, and declaring an emergency.**

SUMMARY & BACKGROUND:
This is one of a series of ordinances that authorize the issuance of general obligation bonds that the City plans to sell in fall 2019.

This ordinance authorizes the sale of up to $4,080,000 of bonds to refund outstanding bonds issued to pay costs of improving certain designated streets in the City's street system in 2009. With the issuance of the bonds

authorized by this ordinance and the retirement of the prior bonds, the City's outstanding debt will not be increased, and the bonds authorized by this ordinance will be sold only if interest rates available on the sale date will provide satisfactory debt service cost savings to the City, over and above all additional expenses of sale of the bonds and the refunding of the prior bonds.

Pursuant to Ordinance No. 417-09 passed by this Council on August 4, 2009, and the related certificate of award dated October 8, 2009, signed by the Director of Finance pursuant thereto (collectively, the Original Bond Legislation), the City issued its $8,000,000 Street Improvement Bonds, Series 2009 (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Payment), dated as of October 15, 2009 (the Original Bonds), to provide funds to pay costs of improving certain designated streets in the City's street system, in cooperation with the Department of Transportation of the State of Ohio and otherwise, by constructing, reconstructing and rehabilitating the pavement base, bridges, curbs, drainage improvements, driveway approaches, pedestrian ramps and sidewalks, widening, adjusting radius cutbacks, manholes and catch basins, preparing the surface and surfacing and resurfacing, where necessary, in each case together with the necessary appurtenances and work incidental thereto, and acquiring real estate and interests in real estate in connection therewith.

This Council finds and determines that, if interest rates available on the sale date will provide satisfactory savings to the City, the City should (i) refund for debt service cost savings a portion of the Original Bonds that remain outstanding and are stated to mature on December 1, 2025 (those Original Bonds to be refunded, to be finally determined and specified by the Director of Finance at the time of the sale of the Bonds as set forth in Section 2, being hereinafter collectively referred to as the "Refunded Bonds"), (ii) exercise the City's option to call those Refunded Bonds for optional redemption on December 1, 2019 or such other date not more than 90 days after the Closing Date, as is determined and specified by the Director of Finance at the time of the sale of the Bonds as set forth in Section 7 and (iii) issue and sell the Bonds described in Section 2 to provide for that refunding and call.

The Director of Finance, as the fiscal officer of this City, has certified to this Council that the estimated life or period of usefulness of each class of the improvements described in Section 2 was, at the time of the issuance of the Original Bonds, at least five years, and that the maximum maturity of the Bonds described in Section 2 is at least December 1, 2025, the final maturity of the Original Bonds.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: $0
- The expenditure budget line item: 5040-14800-1135001STDSTD
- New revenue generated (operational revenue, grants, if any): None.
- Revenue budget line item (if any):5040-14800-1135001STDSTD
- Are funds budgeted in the current fiscal year (yes/no)?: Yes. This is a refunding of a pervious borrowing.
- Is this a capital project (yes/no)? Yes.
- If yes, is it new or existing (new/existing)? Existing.
- What section of the City's Strategic Plan does this support:
    - Excellence in Basic Services (yes/no) No.
    - Quality Community Investment (Livable City, Development) (yes/no) Yes.
    - Workplace Culture & Customer Service (yes/no) No.
    - Environment (yes/no) Yes.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:



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SECTION 1. Definitions and Interpretation. 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, a denomination equal to a 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 equal to $5,000 or any whole multiple thereof and (b) with respect to Current Interest Bonds, a denomination of $5,000 or any whole multiple thereof.

"Bond proceedings" means, collectively, this ordinance, the Certificate of Award, the Continuing Disclosure Agreement, the Bond Registrar 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 the books and records necessary for the registration, exchange and transfer of the Bonds maintained by the Bond Registrar as provided in Section 5.

"Bond Registrar" means The Bank of New York Mellon Trust Company, N.A., as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the Bond Registrar Agreement and until a successor Bond Registrar shall have become such under the provisions of the Bond Registrar Agreement and, thereafter, "Bond Registrar" shall mean the successor Bond Registrar.

"Bond 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 signed by the Director of Finance in accordance with Section 4.

"Book-entry form" or "book-entry system" means a form or system under which (i) ownership of book entry interests in Bonds and the principal of and interest on Bonds may be transferred only through a book entry, and (ii) 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 set forth in the Certificate of Award, and bearing interest accrued and compounded on each Interest Accretion Date and payable at maturity.

"Certificate of Award" means the certificate to be signed by the Director of Finance pursuant to subsection (a) of Section 6, 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 specified, set forth, determined or otherwise established therein.

"Closing Date" means the date of physical delivery of, and payment of the purchase price for, the Bonds.

"Code" means the Internal Revenue Code of 1986, the Treasury 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 the applicable Treasury 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 per $5,000 Maturity Amount of the Capital Appreciation Bonds of each maturity and each interest rate within a maturity as of each Interest Accretion Date shall be set forth in the Certificate of Award. 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 and (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 continuing disclosure agreement to be signed by the Mayor and the Director of Finance pursuant to subsection (c) of Section 6, to be substantially in the form on file with the Clerk of Council, and which, together with the agreements of the City in that subsection and the Bonds, 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 (or as "Serial Bonds") in the Certificate of Award, 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 Redemption Requirements.

"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.

"Director of Finance" means the person at the time performing the duties of the chief financial officer and fiscal officer of the City.

"Director of Law" means the person at the time performing the duties of the chief legal officer of the City.

"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 signed by the Mayor and the Director of Finance in accordance with Section 8 of this ordinance.



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"Escrow Fund" means the 2019 City of Toledo Refunded GO Bonds Escrow Fund established pursuant to Section 9 of this ordinance and the Escrow Agreement.

"Escrow Trustee" means The Bank of New York Mellon Trust Company, N.A., as the initial escrow trustee with respect to the Refunded Bonds under the Escrow Agreement and 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, June 1 and December 1 in each year during which any Capital Appreciation Bonds are outstanding, commencing June 1, 2020, or such other date not later than June 1, 2020, as is established 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 June 1, 2020, or such other date not later than December 1, 2020, as is established in the Certificate of Award, and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

"Mandatory Redemption Requirements" means Mandatory Redemption Requirements as defined in subsection (e)(i) of Section 3.

"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.

"Mayor" means the person at the time performing the duties of the chief executive and administrative officer of the City.

"Original Bond Legislation" means, collectively, Ordinance No. 417-09 passed August 4, 2009 and the related certificate of award dated October 8, 2009, signed by the Director of Finance pursuant thereto, authorizing the issuance and sale of the Original Bonds.

"Original Bonds" means the City's $8,000,000 Street Improvement Bonds, Series 2009 (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Payment), dated as of October 15, 2009, issued pursuant to the Original Bond Legislation.

"Original Purchaser" means KeyBanc Capital Markets Inc.

"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, unless otherwise determined by the Director of Finance and specified in the Certificate of Award, December 1 in each of the years from 2020 through 2025; provided that in no event shall the earliest Principal Payment Date be later than the date of the first scheduled payment of principal of the Refunded Bonds.

"Purchase Agreement" means a 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 signed by the Mayor and the Director of Finance in accordance with Section 6.


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"Refunded Bonds" means those Original Bonds to be refunded by the Bonds, as determined by the Director of Finance and specified in the Certificate of Award at the time of the sale of the Bonds in accordance with Section 2.

"Rule" means Rule 15c2-12 prescribed by the SEC pursuant to the Securities Exchange Act of 1934.

"SEC" means the Securities and Exchange Commission.

"Term Bonds" means those Current Interest Bonds designated as such in the Certificate of Award, 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 Redemption Requirements.

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; Application of Proceeds. It is necessary to issue bonds of this City in a maximum aggregate principal amount of $4,080,000 (the Bonds) to refund the Refunded Bonds for debt service cost savings, which Refunded Bonds were issued to provide funds to pay costs of improving the City's street system, in cooperation with the Department of Transportation of the State of Ohio and otherwise, by (i) improving Detroit Avenue, Hill Avenue, Glendale Avenue, Telegraph Avenue, Dorr Street, Secor Road, Nebraska Avenue, South Avenue, Michigan Street, Talmadge Road, Brownstone Boulevard, Cheyenne Boulevard, Starr Avenue, Matzinger Road, Hawley Street, Madison Avenue, Huron Street, Jefferson Avenue, Orono Drive, Medford Drive, Daleford Drive, Folkstone Road, Southwyck Boulevard and Chippelgate Road between certain termini by constructing, reconstructing and rehabilitating the pavement base, bridges, curbs, drainage improvements, driveway approaches, pedestrian ramps and sidewalks, widening, adjusting radius cutbacks, manholes and catch basins, preparing the surface and surfacing and resurfacing, where necessary, in each case together with the necessary appurtenances and work incidental thereto, and acquiring real estate and interests in real estate in connection therewith, (ii) improving Heatherdowns Boulevard, Front Street and Greenbelt Parkway between certain termini by preparing the surface and resurfacing, together with the necessary appurtenances and work incidental thereto, and (iii) improving 106th Street, 118th Street, 119th Street, 123rd Street, 145th Street, 285th Street, 286th Street, 290th Street, 299th Street, 323rd Street, A Street, Airport Highway, Albert Street, Albion Street, Alcott Avenue, Aldringham Road, Aria Drive, Avondale Avenue, Baker Street, Bancroft Street, Barrington Drive, Beaufort Avenue, Beechway Boulevard, Bellevue Road, Belmont Avenue, Benalex Drive, Bennett Road, Berdan Avenue, Berry Street, Berwick Avenue, Blackstone Drive, Bond Street, Booth Avenue, Brame Place, Brighton Avenue, Broadway Street, Bronson Avenue, Burnham Avenue, Butterfield Drive, C Street, Caledonia Street, Calumet Avenue, Cambridge Street, Campbell Street, Capistrano Avenue, Carlton Street, Celesta Drive, Central Avenue, Champion Street, Champlain Street, Chapin Street, Charmaine Drive, Cherry Hill Road, Chestnut Street, Christie Boulevard, City Park Avenue, Clark Street, Clay Avenue, Clifton Boulevard, Colburn Street, Colima Drive, Collingwood Boulevard, Colton Street, Commonwealth Avenue, Consaul Street, Craigwood Road, Cranford Drive, Cummings Avenue, Curtis Street, D Street, Dale Street, Dana Drive, Daniels Avenue, Deal Avenue, Decatur Street, Delaware Avenue, Detroit Avenue, Dexter Street, Dixie Drive, Dorchester Drive, Douglas Road, Downing Avenue, Drexel Drive, Drummond Road, Dunham Street, E Street, East Broadway Street, Edgewater Drive, Eldred Avenue, Eleanor Avenue, Elliott Avenue, Elm Street, Erie Street, Escott Avenue, Evesham Avenue, Executive Parkway, F Street, Fairfax Road, Fairview Drive, Fernwood Avenue, Foraker Avenue, Forsythe Street, Fullington Road, Fulton Street, Giant Street, Glastonberry Court, Glendale Avenue, Goddard Road, Gould Road, Gramercy Avenue, Grantley Road, Grantwood Drive, Greenbriar Road, Gribbin Lane, Hagley Road, Hamilton Street, Hampton Avenue, Harding Drive, Haven Street, Hawk Street, Hearthstone Place, Heatherdowns Boulevard, Heathshire


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Drive, Hinde Road, Hinsdale Road, Hopewell Place, Hudson Street, Hughes Boulevard, Hurd Street, Independence Road, Indiana Avenue, Ingomar Avenue, Inverness Avenue, Inwood Drive, Ivy Place, Jeannette Avenue, Kelsey Avenue, Kennison Drive, Kensington Road, Kenwood Boulevard, Kershaw Avenue, Ketcham Avenue, Kimball Avenue, Kingswood Trail, Kipling Drive, Kopernik Avenue, Kress Street, Laclede Road, Lagrange Street, Langdon Street, Latonia Boulevard, Lebanon Street, Letchworth Parkway, Leybourn Avenue, Lockwood Avenue, Lombard Avenue, Longdale Avenue, Loxley Road, Luddington Drive, Luscombe Drive, Mackow Drive, Madison Avenue, Maeterlinck Avenue, Maher Street, Majestic Drive, Mansfield Road, Maplewood Avenue, March Drive, Mark Street, Marlboro Street, Maxwell Road, May Avenue, Mayberry Street, Mayfair Boulevard, Meadowbrook Court, Merrimac Boulevard, Michigan Street, Midwood Avenue, Milburn Avenue, Miles Avenue, Mont Royal Drive, Montebello Road, Moore Street, Mott Avenue, Mulberry Street, Nash Road, Nebraska Avenue, Neise Avenue, Nelson Avenue, Nesslewood Avenue, Nevada Street, Noble Street, North Cove Boulevard, North Haven Avenue, Northgate Parkway, Northwood Avenue, Northwyck Drive, Oak Street, Oakdale Avenue, Oakland Street, Oakway Drive, Ogden Avenue, Ottawa Drive, Paine Avenue, Palmwood Avenue, Park Street, Parker Avenue, Parkwood Avenue, Parrakeet Avenue, Paxton Street, Pearl Street, Peck Street, Pepperell Place, Pineway Drive, Pinewood Avenue, Poinsetta Avenue, Polk Place, Pomeroy Street, Potter Street, Powhattan Parkway, Price Street, Princeton Drive, Prouty Avenue, Ravenwood Boulevard, Reen Drive, Remington Street, Richmond Road, Rockingham Drive, Rosedale Avenue, Royalton Road, Rugby Drive, Ruxton Road, Salem Street, Sandralee Drive, Schomberg Street, Scottwood Avenue, Sheldon Street, Sherbrooke Road, Shirley Avenue, Shoreham Lane, Shortford Drive, Smead Avenue, South Avenue, Spencer Street, Spring Grove Avenue, St. John Avenue, Starr Avenue, Streadman Street, Steel Street, Strickney Avenue, Sumner Street, Superior Street, Sylvania Avenue, Terrace Drive, Thatcher Drive, Third Street, Thomas Street, Thornton Avenue, Thurston Street, Toronto Avenue, Torrance Drive, Turret Green Drive, Twining Street, Upton Avenue, Utah Street, Valley Way Drive, Vance Street, Varland Avenue, Ventura Drive, Vermaas Avenue, Waite Avenue, Walbridge Avenue, Walker Avenue, Wallwerth Drive, Walnut Street, Watson Avenue, Wayne Street, Wellesley Drive, Wendover Drive, Wersell Avenue, Western Avenue, Westway Road, Westwood Avenue, Whittemore Street, Willys Parkway, Windbrook Court, Windemere Boulevard, Winsted Drive, Woodford Street, Woodland Avenue, Woodruff Avenue, Woodward Avenue, Wright Avenue, Wyndale Court and Yellowstone Drive between certain termini by constructing and reconstructing pedestrian curb ramps, sidewalks and driveway approaches, where necessary, together with necessary appurtenances and work incidental thereto, and to pay expenses related to the refunding of the Refunded Bonds and to the issuance of the Bonds.

As set forth in the preambles, based on market conditions at the time of the sale of the Bonds and his determination of the best interest of and financial advantages to the City and its residents, the Director of Finance shall determine, and shall specify in the Certificate of Award, the Original Bonds to be refunded by the Bonds (the Refunded Bonds).

Subject to the limitations set forth in this ordinance, the aggregate principal amount of the Bonds to be issued, the principal maturities of and the 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 by the Director of Finance in the Certificate of Award to be signed upon the finalization of the terms and provisions of the Bonds. The aggregate principal amount of Bonds to be issued, as so specified in the Certificate of Award, shall be the amount determined by the Director of Finance to be necessary, taking into account any premium above the aggregate principal amount of the Bonds at which they are sold to the Original Purchaser, to carry out the purpose for which the Bonds are to be issued in a manner consistent with the agreements and covenants of the City set forth in the Original Bond Legislation, the Refunded Bonds and this ordinance.

SECTION 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions.



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The Bonds shall be issued in one lot and only as fully registered bonds, in Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount stated to mature 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 to be 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 not later than the Closing Date and not earlier than 30 days prior to the Closing Date, as is 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 interest at the rate or rates per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10% 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 per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 20% per year for any stated maturity, accrued and compounded on each Interest Accretion Date and payable at maturity, that 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. 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. The Bonds shall mature, or be payable pursuant to Mandatory Redemption Requirements, on the Principal Payment Dates in the following years and principal amounts:

| Year | Principal Amount | Year | Principal Amount |
|---|---|---|---|
| 2020 | $ 580,000 | 2023 | $ 700,000 |
| 2021 | 620,000 | 2024 | 740,000 |
| 2022 | 655,000 | 2025 | 785,000 |

; provided that, subject to the limitations set forth in Sections 1 and 2 and this Section 3, the principal amount of Bonds payable on any one or more Principal Payment Dates may be increased or decreased as determined by the Director of Finance in the Certificate of Award, consistently with his determination of the best interest of and financial advantages to the City.

Consistently with the foregoing and in accordance with his determination of the amount needed for the purpose set forth in Section 2 and the best interest of and financial advantages to the City, the Director of Finance shall specify in the Certificate of Award (i) the aggregate principal amount of Bonds to be issued, (ii) the aggregate principal amount of Bonds to be issued as Current Interest Bonds, (iii) 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, (iv) 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 payable pursuant to Mandatory Redemption Requirements (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory Redemption Requirements on each Mandatory Redemption Date, and (v) the aggregate principal amount of the Bonds to be issued as Capital Appreciation Bonds, if any, and the corresponding aggregate Maturity Amount of any such Bonds, the Principal Payment Date or Dates on which any such 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 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 as to demonstrate net present value debt service cost savings to the City due to the refunding of the Refunded Bonds in an amount not less than 3.00%, after taking into account all expenses related to that refunding and the issuance of the Bonds.

(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 designated corporate trust office of the Bond Registrar. 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.

The City reserves the right to order the Bond Registrar to return to it any money held by the Bond Registrar for the payment of (i) checks or drafts for the payment of interest on the Bonds or (ii) principal of the Bonds, which checks, drafts or Bonds have not been presented for payment within four years following the date on which payment of the interest or principal represented thereby came due. Thereafter, the registered owners shall look only to the City for payment of the interest and principal represented by those checks, drafts and Bonds.

(e) Redemption Provisions. The Capital Appreciation Bonds, if any, shall not be subject to redemption prior to maturity. Except as otherwise specified by the Director of Finance in the Certificate of Award consistently with his determination 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 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 redemption 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 principal amounts being the Mandatory Redemption Requirements).


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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 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 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 and bearing interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the City on or before the 45th 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 Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and bearing interest at the same rate as the Term Bonds so delivered. If the certificate is not timely furnished to the Bond Registrar, the current Mandatory Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory 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 Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date and bearing interest at the same rate 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 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 and bearing interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Partial Redemption. If fewer than all of the Bonds of a single maturity (or interest rate within a maturity) are to be redeemed, the selection of Bonds of that maturity or interest rate to be redeemed, or portions thereof in amounts of $5,000 or any whole 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 (A) 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 (B) 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.

(iii) 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 15th 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.

(iv) 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 and Section 5, 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 Chapter 133 of the Revised Code, the Charter of the City and this ordinance.

The Bank of New York Mellon Trust Company, N.A., is appointed to act as the initial Bond Registrar. The Director of Finance shall sign and deliver, in the name and on behalf of the City and in his official capacity, the Bond Registrar Agreement between the City and the Bond Registrar in substantially the form as is now on file with the Clerk of Council. The Bond 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 and the Director of Law on behalf of the City, all of which shall be conclusively evidenced by the signing of the Bond Registrar Agreement or amendments to the Bond Registrar Agreement. The Director of Finance shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Bond 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.


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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 designated corporate trust office. 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 of book entry form 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 designated corporate trust office of the Bond Registrar, 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 designated corporate trust office of the Bond Registrar, 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 or provide for signing 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


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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 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 interest rate within a maturity and registered in the name of the Depository or its nominee, as registered owner, and deposited with and maintained in the custody of the Depository or its designated agent (which may be the Bond Registrar); (ii) the owners of book-entry interests in Bonds shall have no 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, in the name and on behalf of the City, that he determines to be necessary in connection with the book-entry system for the Bonds, after determining that the signing thereof will not endanger the funds or securities of the City.

SECTION 6. Sale of the Bonds.

(a) To the Original Purchaser. The Bonds shall be awarded and sold by the Director of Finance to the Original Purchaser at private sale at a purchase price not less than 100% of the aggregate principal amount thereof plus accrued interest on the Current Interest Bonds from their date to the Closing Date, as shall be determined in the Certificate of Award, and with and upon such other terms as are required or authorized 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 is authorized, if he determines it to be in the best interest of the City, to combine the issue of the Bonds with one or more other unvoted general obligation bond issues of the City into a consolidated bond issue pursuant to Section 133.30(B) of the Revised Code, in which case a single Certificate of Award may be used for the consolidated bond issue if appropriate and consistent with the terms of this ordinance.

The Director of Finance shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and, following their sale, shall have the Bonds 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 and other City officials, as appropriate, are each 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.


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The Mayor and the Director of Finance are authorized to sign and deliver, in the name and on behalf of the City and in their official capacities, a 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 Mayor, the Director of Finance and the Director of Law on behalf of the City, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments to that Agreement.

(b) Primary Offering Disclosure - Official Statement. The Mayor and the Director of Finance are authorized and directed, 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 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 and any supplements thereto as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of those official statements and any supplements, 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 Securities and Exchange Commission Rule 15c2-12 (the Rule). The Mayor and the Director of Finance are authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and on behalf of the City, 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, the Director of Finance and Director of Law 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 counsel 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 or Bond Insurance; Legal Services; Municipal Advisor; Financing Costs. If, in the judgment of the Director of Finance, the filing of an application for (i) a rating on the Bonds by one or more nationally recognized rating agencies, or (ii) a policy of insurance from a company or companies to better assure the payment of principal of and interest on all or a portion of the Bonds, is in the best interest of and financially advantageous to this City, the Director of Finance is authorized to prepare and submit those applications, to provide to each such agency or company such information and take such other actions and enter into any agreements, in the name and on behalf of the City, as he determines to be required for the purpose, to accept a commitment for any such policy and to provide further for the payment of the cost of obtaining each


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such rating and any such policy, except to the extent paid by the Original Purchaser in accordance with the Purchase Agreement.

The legal services of the law firm of Squire Patton Boggs (US) LLP be and are hereby retained. Those legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Bonds and rendering at delivery related legal opinions. In providing 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 or municipal corporation or of this City, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services.

If, in the judgment of the Director of Finance, it would be advantageous to the City to retain the services of a municipal advisor or other financial consultant to provide financial advice and otherwise assist the City in connection with the original issuance of the Bonds, the Director of Finance is authorized to solicit and receive formal or informal proposals for the services of such an advisor or consultant from qualified organizations and to retain the organization submitting the proposal to provide the services he determines to be the best.

The expenditure of the amounts necessary to secure a rating or ratings on the Bonds and such a policy and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds, except to the extent paid by the Original Purchaser in accordance with the Purchase Agreement, is authorized and approved. The amounts necessary to pay those costs, to the extent allocable to the Bonds, are hereby appropriated from Account Code 5040-14800-1135001STDSTD (Costs of Issuance).

SECTION 7. Refunding; Redemption of Refunded Bonds. This Council determines that, subject to the determination of the Director of Finance that rates available on the sale date will enable the City to obtain satisfactory net present value debt service savings, as provided in Section 3(c), it is necessary and in the best interest of the City to refund all of the Refunded Bonds and to redeem all of the Refunded Bonds, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, on December 1, 2019, or such other date not more than 90 days after the Closing Date as is determined and specified by the Director of Finance at the time of the sale of the Bonds. The Director of Finance is authorized and directed to give or cause to be given to The Bank of New York Mellon Trust Company, N.A., as the authenticating agent, bond registrar, transfer agent and paying agent for the Refunded Bonds, on or promptly after the Closing Date, written notice of that call for redemption, and the Refunded Bonds shall be redeemed in accordance with the Original Bond Legislation and the Escrow Agreement. 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.

SECTION 8. Escrow Trustee. The Bank of New York Mellon Trust Company, N.A., is authorized and appointed to act as the initial Escrow Trustee with respect to the refunding of the Refunded Bonds. The Escrow Trustee is authorized and directed to cause notice of the refunding of the Refunded Bonds to be given in accordance with the Escrow Agreement. The Mayor and the Director of Finance shall sign and deliver, in the name and on behalf of the City and in their official capacities, 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


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and that are approved by the Mayor, the Director of Finance and the Director of Law 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 or reimbursed by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from other funds lawfully available and that are appropriated, or shall be appropriated, for that purpose.

SECTION 9. Escrow Fund. There is created under the Escrow Agreement a trust fund designated the "2019 City of Toledo Refunded GO Bonds Escrow 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 to the Escrow Trustee for deposit in the Escrow Fund (i) any funds on deposit in the Bond Retirement Fund for the payment of debt charges on the Refunded Bonds determined by the Director of Finance to be applied for that purpose, and (ii) proceeds from the sale of the Bonds in the amount required, together with the funds referred to in (i), to provide for the defeasance of the Refunded Bonds. The funds and proceeds so deposited in the Escrow Fund are appropriated, and shall be applied, to pay principal of and interest on the Refunded Bonds, as provided in the Escrow Agreement.

The funds and proceeds 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) any interest when due on any scheduled interest payment date for the Refunded Bonds following the Closing Date and accrued interest due upon the redemption of the Refunded Bonds, and (ii) the principal of the Refunded Bonds when due upon their redemption, as provided in the Escrow Agreement.

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. 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 or necessary because U.S. Treasury Securities -- State and Local Government Series are not available, 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 10. Application of Proceeds. The proceeds from the sale of the Bonds shall be applied as follows: (i) proceeds in the amount required, together with any funds on deposit in the Bond Retirement Fund or otherwise available for the payment of debt charges on the Refunded Bonds and determined by the Director of Finance to be applied for the purpose, to provide for the defeasance of the Refunded Bonds shall be paid into the Escrow Fund as provided in Section 9, (ii) 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, shall be paid into the proper fund or funds and applied for that purpose and (iii) any proceeds representing accrued interest and any other remaining proceeds shall be paid into the Bond Retirement Fund. The proceeds from the sale of the Bonds (except any accrued interest) are appropriated and shall be used for the purpose for which the Bonds are being issued.

SECTION 11. 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 12. Federal Tax Considerations. 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 (i) the Bonds will not (A) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (B) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (ii) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

The City further covenants that (i) 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 remain excluded from gross income for federal income tax purposes, (ii) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (iii) it, or persons acting for it, will, among other acts of compliance, (A) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (B) restrict the yield on investment property, (C) make timely and adequate payments to the federal government, (D) maintain books and records and make calculations and reports and (E) 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 or any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (i) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in

Section 148(f)(4)(C) of the Code or 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 of 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, (ii) 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 (iii) 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 of the interest on the Bonds and the tax status of the Bonds.

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 13. Certification and Delivery of Ordinance and Certificate of Award. The Clerk of Council is directed to deliver to the Lucas County Auditor (i) a certified copy of this ordinance and (ii) a signed copy of the Certificate of Award.

SECTION 14. 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 of Toledo 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 11) 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 15. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this ordinance were taken, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

SECTION 16. Effective Date. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and property of the City, and for the further reason that this ordinance is required to be effective immediately in order to issue and sell the Bonds, which is necessary to enable the City to currently refund the Refunded Bonds upon terms in the best interest of and advantageous to the City and thereby to achieve debt service cost savings available under current favorable market conditions; wherefore, this ordinance shall be in full force and effect immediately upon its passage or at the earliest time allowed by law.

Vote on emergency clause: yeas 12, nays 0.



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Passed: September 3, 2019, as an emergency measure: yeas 12, nays 0.

| | |
|---|---|
| Attest: | |
| Gerald E. Dendinger | Matt Cherry |
| Clerk of Council | President of Council |
| | |
| Approved: | September 3, 2019 |
| | Wade Kapszukiewicz |
| | Mayor |



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