

DATE: March 18, 2019
INTRODUCED BY: Mayor Gillock
REFERRED TO: _____
TEMPORARY NO: T 35-2019

1st READING: _____
2nd READING: _____
3rd READING: _____
ADOPTED: _____

ORDINANCE NO.

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$2,935,000 TO PROVIDE FUNDS TO PAY COSTS OF IMPROVING LEAR NAGLE ROAD, LORAIN ROAD, CHESTNUT RIDGE ROAD AND COOK ROAD BETWEEN CERTAIN TERMINI BY WIDENING, GRADING, DRAINING, CURBING, CONSTRUCTING AND RECONSTRUCTING THE PAVEMENT BASE, SIDEWALKS, DRIVEWAY APPROACHES, STORM SEWERS AND REQUIRED STORM WATER QUALITY STRUCTURES, WATER MAINS, RETAINING WALLS AND CULVERTS ACROSS MILLS CREEK AND ROBINSON DITCH, WHERE NECESSARY, SURFACING AND RESURFACING AND ACQUIRING AND INSTALLING STREET LIGHTING AND TRAFFIC CONTROL SIGNALS AND SIGNAGE, IN EACH CASE TOGETHER WITH NECESSARY APPURTENANCES AND WORK INCIDENTAL THERETO, AND ACQUIRING REAL ESTATE AND INTERESTS THEREIN IN CONNECTION THEREWITH.

WHEREAS, pursuant to Ordinance No. 5361-2016 passed May 16, 2016, a note in anticipation of bonds in the amount of \$2,900,000 dated June 21, 2016, was issued for the purpose stated in Section 1, which note was retired at maturity with funds available to the City and proceeds of a \$2,900,000 note issued in anticipation of bonds pursuant to Ordinance No. 5459-2017 passed on May 15, 2017, as a part of a consolidated issue of \$5,900,000 Road Improvement Notes, Series 2017, dated June 19, 2017, which note was retired at maturity with funds available to the City and proceeds of a \$2,900,000 note (the Outstanding Note), issued in anticipation of bonds pursuant to Ordinance No. 5530-2018 passed on April 2, 2018, as a part of a consolidated issue of \$5,800,000 Road Improvement Notes, Series 2017, dated June 14, 2018, which Outstanding Note is to mature on June 13, 2019; and

WHEREAS, this Council finds and determines that the City should retire the Outstanding Note with the proceeds of the Bonds described in Section 2 and other funds available to the City; and

WHEREAS, the Auditor, as 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 is at least five years and that the maximum maturity of the Bonds described in Section 2 is at least twenty years;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Ridgeville, Lorain County, Ohio, that:

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:

“Auditor” means the person at the time performing the duties of the chief financial officer and fiscal officer of the City.

“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 \$1,000 or any whole multiple thereof.

“Bond proceedings” means, collectively, this ordinance, the Certificate of Award, the Continuing Disclosure Agreement, the 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 Zions Bancorporation, National Association, as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the Registrar Agreement and until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, “Bond Registrar” shall mean the successor Bond Registrar.

“Book entry form” or “book entry system” means a form or system under which (a) the ownership of book entry interests in Bonds and the principal of and interest on Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the City only to a Depository or its nominee as registered owner, with the Bonds deposited with and retained 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 Mayor and the Auditor 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 set forth or determined 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 Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Compound Accreted Amount” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus interest accrued and compounded on each Interest Accretion Date to the date of maturity or other date of determination. The Compound Accreted Amount per Maturity Amount of \$5,000 of the Capital Appreciation Bonds of each maturity and each compounding 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 Auditor 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 set forth 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 those Bonds designated as such in the Certificate of Award, all of which shall bear interest payable on each Interest Payment Date.

“Current Interest Serial Bonds” or “Serial Bonds” means those Current Interest Bonds designated as such 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 sinking fund redemption.

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

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

“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 December 1, 2019, or such other date not later than December 1, 2019 as may be specified by the Mayor and the Auditor 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 December 1, 2019, or such other date not later than June 1, 2020 as may be specified by the Mayor and the Auditor in the Certificate of Award and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

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

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

“Original Purchaser” means KeyBanc Capital Markets Inc., Cleveland, Ohio.

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

“Principal Payment Dates” means December 1 in each of the years from 2020 through 2039.

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

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

“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 sinking fund redemption on the Principal Payment Date or Dates set forth in the Certificate of Award.

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 \$2,935,000 (the Bonds) to provide funds to pay costs of improving Lear Nagle Road, Lorain Road, Chestnut Ridge Road and Cook Road between certain termini by widening, grading, draining, curbing, constructing and reconstructing the pavement base, sidewalks, driveway approaches, storm sewers and required storm water quality structures, water mains, retaining walls and culverts across Mills Creek and Robinson Ditch, where necessary, surfacing and resurfacing and acquiring and installing street lighting and traffic control signals and signage, in each case together with necessary appurtenances and work incidental thereto, and acquiring real estate and interests therein in connection therewith, and to retire the Outstanding Note.

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 or compounding 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 Mayor and the Auditor in the Certificate of Award 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 Mayor and the Auditor to be necessary, taking into account any premium above or discount from 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 this ordinance.

The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. 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 maturing on that date. The respective principal amounts of the Bonds to be issued as Current Interest Bonds and Capital Appreciation Bonds (if any Bonds are to be issued as Capital Appreciation Bonds) shall be determined by the Mayor and the Auditor in the Certificate of Award, having due regard to

the best interest of and financial advantages to the City. The Bonds shall be dated as of the Closing Date.

(a) Interest Rates and Payment Dates. The Current Interest Bonds shall bear the rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10% per year for any stated maturity, as shall be specified by the Mayor and the Auditor (subject to the provisions of subsection (c) of this Section) in the Certificate of Award. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date until the principal amount has been paid or provided for. The Current Interest Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

Any Capital Appreciation Bonds shall bear interest from the Closing Date at the compounding rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 25% per year for any stated maturity, accrued and compounded on each Interest Accretion Date and payable at maturity, which will result in the aggregate Maturity Amounts payable at maturity, as shall be specified by the Mayor and the Auditor (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 Sinking Fund Redemption Requirements (as hereinafter defined and described) on the Principal Payment Dates in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2020	\$125,000	2030	\$160,000
2021	35,000	2031	170,000
2022	35,000	2032	175,000
2023	85,000	2033	185,000
2024	90,000	2034	190,000
2025	100,000	2035	200,000
2026	110,000	2036	205,000
2027	120,000	2037	215,000
2028	130,000	2038	220,000
2029	155,000	2039	230,000

provided that, subject to the limitations set forth in Sections 1 and 2 and subsection (c) of this Section 3, the principal amount of Bonds maturing or subject to Mandatory Sinking Fund Redemption Requirements on any one or more of the Principal Payment Dates may be increased or decreased as specified by the Mayor and the Auditor in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the City.

Consistently with the foregoing and in accordance with their 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 Mayor and the Auditor 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 subject to mandatory sinking fund redemption (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date, and (v) the aggregate principal amount of 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 Sinking Fund Redemption Requirements on each Principal Payment Date and the Maturity Amount of any Capital Appreciation Bonds payable on each Principal Payment Date, shall be such that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is not more than three times the amount of those payments in any other such fiscal year. The weighted average of the rate or rates of interest per year to be borne by the Bonds, determined by taking into account the respective principal amounts of the Bonds and terms to maturity or mandatory redemption, as applicable, of those principal amounts of Bonds, shall not exceed 6% per year.

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

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

The City shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the City, as specified by the Auditor, for Term Bonds stated to mature on the same Principal Payment Date and bear 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 Auditor, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and to bear 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 Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the

Auditor, also shall be received by the City for any Term Bonds which prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date and bear 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 Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Auditor, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Current Interest Bonds maturing on or after December 1, 2029 shall be subject to redemption, by and at the sole option of the City, either in whole or in part, in whole multiples of \$5,000, on any date on or after December 1, 2028, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

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

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity or interest rate within a maturity are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates within a maturity selected by the City. 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 within a maturity 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.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the 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.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of subsection (d) of Section 3 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 Auditor, 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 Auditor, shall be numbered as determined by the Auditor in order to distinguish each Bond from any other Bond and to distinguish Current Interest Bonds from any Capital Appreciation Bonds, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this ordinance.

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

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Auditor 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 Mayor and the Auditor determine in the Certificate of Award that it is in the best interest of and financially advantageous to the City, the Bonds may be issued in book entry form in accordance with the following provisions of this Section.

The Bonds may be issued to a Depository for use in a book entry system and, if and so long as a book entry system is utilized, (i) the Bonds may be issued in the form of a single, fully registered Bond representing each maturity and interest rate within a maturity and registered in the name of the Depository or its nominee, as registered owner, and deposited with and retained in the custody of the Depository or its agent, which may be the Bond Registrar; (ii) the owners of book entry interests in Bonds shall 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 Auditor may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Auditor does not or is unable to do so, the Auditor, 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 Mayor and the Auditor are each hereby also authorized and directed to the extent necessary or required to enter into any agreements, in the name and on behalf of the City, that either determines to be necessary in connection with a 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 Mayor and the Auditor to the Original Purchaser at private sale at a purchase price not less than 97% 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 by the Mayor and the Auditor in the Certificate of Award and with and upon such other terms as are required or authorized by this ordinance to be specified in the Certificate of Award, in accordance with law, the provisions of this ordinance and the Purchase Agreement. The Mayor and the Auditor are authorized, if they determine 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 utilized for the consolidated bond issue if appropriate and consistent with the terms of this ordinance.

The Mayor and the Auditor 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 Auditor, the Director of Law, the Treasurer, 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.

The Mayor and the Auditor 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 Auditor 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 Auditor 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, 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 the Rule. The Mayor and the Auditor are authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and on behalf of the City and in their official capacities, 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 Auditor 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 Auditor 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 Auditor 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 Auditor, 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; Financing Costs. If, in the judgment of the Mayor or the Auditor, 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 Mayor or the Auditor may prepare and submit those applications. The Auditor is also authorized to provide to each such agency or company such information as may be required for the purpose and, if it is, in his judgment, in the best interest of and financially advantageous to the City, to accept a commitment for insurance issued by a nationally recognized municipal bond insurance company insuring the payment when due of the principal of and interest on all or any portion of the Bonds. The Mayor and the Auditor may enter into any agreements, on behalf of and in the name of the City, that they determine to be necessary or required to obtain such ratings or insurance, which agreements may be included in the Registrar Agreement.

The expenditure of the amounts necessary to secure a rating or ratings on the Bonds and any such policy and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement, is authorized and approved, and the Auditor is authorized to provide for the payment of the cost of obtaining each such rating, any such policy and all such other financing costs, 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.

Section 7. 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 8. 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 (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

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

with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The City hereby represents that the Outstanding Note was designated or treated as a “qualified tax exempt obligation” pursuant to Section 265(b)(3) of the Code. The City hereby covenants that it will redeem the Outstanding Note from proceeds of, and within 90 days after issuance of, the Bonds, and represents that all other conditions are met for treating an amount of the Bonds not in excess of the amount of the Outstanding Note as “qualified tax exempt obligations” and as not to be taken into account under subparagraph (D) of Section 265(b)(3) of the Code, without necessity for further designation, by reason of subparagraph (D)(ii) of Section 265(b)(3) of the Code. Any amount of the Bonds in excess of the amount of the Outstanding Note, determined in accordance with Section 265(b)(3) of the Code (the Designated Amount), is hereby designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the City hereby represents and covenants that it, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, in or during the calendar year in which the Bonds are issued, (i) have not issued and will not issue tax exempt obligations designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code (including the Designated Amount of the Bonds) in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax exempt obligations (including the Designated Amount of the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the City first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as “qualified tax exempt obligations”. Further, the City represents and covenants that, during any time or in any manner as might affect the status of the Bonds as “qualified tax exempt obligations”, it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The City further represents that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax exempt obligations of different issuers.

The Auditor, as the fiscal officer, or any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections provided for 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 or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the

Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on 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 9. Certification and Delivery of Ordinance and Certificate of Award. The Clerk of Council is directed to deliver to the Lorain County Auditor a certified copy of this ordinance and a signed copy of the Certificate of Award as soon as each is available.

Section 10. 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 North Ridgeville 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 7) 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 11. Retention of Legal Services. The legal services of the law firm of Squire Patton Boggs (US) LLP as bond and disclosure counsel 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 and advice, all as set forth in the form of engagement letter dated as of April 1, 2019, now on file in the office of the Clerk of Council. 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. The Director of Law is authorized and directed to sign and deliver the engagement letter, and, to the extent they are not paid by the Original Purchaser in accordance with the Purchase Agreement, the Auditor is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 12. 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 13. Effective Date. This ordinance shall be in full force and effect from and after the earliest time permitted by law.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____

CLERK OF COUNCIL

APPROVED: _____

MAYOR