

ORDINANCE NO. 181-16

BY: **SCOTT M. TUMA**
(By Request – Treasurer)

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF BONDS IN AN AMOUNT NOT TO EXCEED \$5,850,000 FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE CITY'S MUNICIPAL FACILITY IMPROVEMENT REFUNDING BONDS, SERIES 2006 (LIMITED TAX), AND DECLARING AN EMERGENCY.

WHEREAS, this Council has determined that it is in the best interests of the City of Parma, Ohio (the "City") to refund all or a portion of the City's Municipal Facility Improvement Refunding Bonds, Series 2006 (Limited Tax), to reduce interest costs and provide savings in the costs of borrowing; and

WHEREAS, the Auditor, as fiscal officer, has certified to this Council the estimated life of the improvement described below and the maximum maturity of the bonds herein authorized;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma, Cuyahoga County, Ohio:

Section 1. It is hereby determined to be in the best interest of the City, and declared necessary therefor, to issue bonds of the City of Parma, Ohio in the principal sum of not to exceed \$5,850,000 (the "Bonds") for the purpose of paying certain costs of issuance of the Bonds and refunding all or a portion of the City's outstanding Municipal Facility Improvement Refunding Bonds, Series 2006 (Limited Tax) issued to advance refund a portion of the City's Municipal Facility Improvement Bonds, Series 1998 issued to finance certain permanent improvements of the City.

As used herein, the following terms shall have the following meanings:

"Auditor" means the Auditor of the City.

"Earliest Optional Redemption Date" means the date, if any, specified as the Earliest Optional Redemption Date for the Bonds in the Certificate of Award, as hereinafter defined.

"Mandatory Redemption Dates" means, as to Bonds, if any, which are Term Bonds, the date specified in the Certificate of Award as the dates on which such Term Bonds are to be redeemed through the application of Mandatory Sinking Fund Installments.

"Mandatory Sinking Fund Installments" means the amounts required in or pursuant to this Ordinance to be deposited in the Bond Retirement Fund for purposes of retiring, on a Mandatory Redemption Date, principal of Term Bonds which, according to their stated maturities, are due and payable if not called for prior redemption on a subsequent date.

"Mayor" means the Mayor of the City.

"Optional Redemption Prices" means the redemption prices (expressed as percentages of the principal amount), if any, at which the City may elect to redeem Bonds other than by mandatory redemption through application of Mandatory Sinking Fund Installments.

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“Principal Retirement Dates” means the dates on which the Bonds are to retired (whether at their stated maturity or on Mandatory Redemption Dates), as specified pursuant to this Ordinance in the Certificate of Award.

“Principal Retirement Schedule” means the schedule of the principal amount of the Bonds to be retired on the Principal Retirement Dates in accordance with their stated maturities or to be redeemed by mandatory redemption on the Mandatory Redemption Dates, as specified pursuant to this Ordinance in the Certificate of Award.

“Term Bonds” means Bonds maturing on a Term Maturity Date, the principal of which is subject to payment by mandatory redemption prior to stated maturity through the application of Mandatory Sinking Fund Installments.

“Term Maturity Date” means as to any Bonds, such date or dates on which Bonds which are Term Bonds, if any, mature at their stated maturities, as specified pursuant to this Ordinance in the Certificate of Award.

“Treasurer” means the Treasurer of the City.

Section 2. The Bonds shall be issued in one lot, only as fully registered Bonds, and notes have not been issued in anticipation of the Bonds. The Bonds may be issued in the Minimum Authorized Denomination (as hereinafter defined) or any integral multiple thereof, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. As used herein, “Minimum Authorized Denomination” shall mean Five Thousand Dollars. The Bonds shall be dated as specified in the Certificate of Award hereinafter defined, but not later than November 30, 2016.

The Bonds shall bear interest at the rate(s) specified in the Certificate of Award (computed on a 360-day per year basis), payable semiannually on the dates specified in the Certificate of Award (the “Interest Payment Dates”), until the principal amount has been paid or provided for. The Bonds of any one maturity shall bear the same rate of interest. The 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.

Section 3. The Treasurer shall appoint a bank or trust company to act as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds (the “Registrar”). The Treasurer shall sign and deliver, in the name and on behalf of the City, a bond registrar agreement between the City and the Registrar (the “Agreement”). The Auditor shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Agreement from the proceeds of the Bonds to the extent available and then from other moneys lawfully available and appropriated or to be appropriated for that purpose.

Section 4. The Bonds shall mature on the Principal Retirement Dates in accordance with the Principal Retirement Schedule subject to mandatory and optional redemption as specified herein. The Bonds are non-callable for redemption to the Earliest Optional Redemption Date, except as hereinafter provided with respect to mandatory redemption of any Bonds which are Term Bonds.

(a) Mandatory Redemption. The Bonds which are Term Bonds are subject to mandatory redemption, through the application of Mandatory Sinking Fund Installments, as set forth in the Certificate of Award, on each Mandatory Redemption Date at one hundred percent (100%) of the principal amount thereof plus accrued interest to such date, in the years and principal amounts set forth in the Principal Retirement Schedule.

The City shall have the option to deliver to the Registrar for cancellation any Bonds which are Term Bonds subject to mandatory sinking fund redemption in any aggregate

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principal amount and to receive a credit against the then current Mandatory Sinking Fund Installment (and corresponding mandatory redemption obligation) of the City. That option shall be exercised by the City on or before the forty-fifth day preceding the applicable mandatory redemption date, by furnishing the Registrar a certificate, signed by the Treasurer, setting forth the extent of the credit to be applied with respect to the then current Mandatory Sinking Fund Installment. If the certificate is not timely furnished to the Registrar, the Mandatory Sinking Fund Installment (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current Mandatory Sinking Fund Installment (and corresponding mandatory redemption obligation) also shall be received by the City for any Bonds which are Term Bonds, which prior thereto have been redeemed (other than through the operation of the Mandatory Sinking Fund Installments) or purchased for cancellation and cancelled by the Registrar, to the extent not applied theretofore as a credit against any mandatory redemption obligation.

Each Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Registrar at 100 percent of the principal amount thereof against the then current Mandatory Sinking Fund Installment (and corresponding mandatory redemption obligation). Any excess of that amount over the then current Mandatory Sinking Fund Installment shall be credited against subsequent Mandatory Sinking Fund Installments (and corresponding mandatory redemption obligations) in the order directed by the Treasurer.

(b) Optional Redemption. The Bonds shall be subject to optional redemption on the Optional Redemption Dates at the Optional Redemption Prices specified in the Certificate of Award, provided, however, that the Treasurer may determine in the Certificate of Award that it is in the best interest of the City that the Bonds not be subject to redemption prior to maturity.

If optional redemption at a price exceeding 100% of the principal amount to be redeemed is to take place as of any applicable Mandatory Redemption Date, the Bonds, or portions thereof, to be redeemed optionally shall be selected by lot prior to the selection by lot of the Bonds to be redeemed on the same date by application of the Mandatory Sinking Fund Installments of paragraph (a). The Bonds shall be redeemed pursuant to this paragraph only upon written notice from the Treasurer to the Registrar, given upon the direction of Council by passage of an ordinance. That notice shall specify the redemption date and the principal amount of each maturity of Bonds to be redeemed, and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Registrar. In the event that notice of redemption shall have been given by the Registrar to the registered owners as hereinafter provided, there shall be deposited with the Registrar on or prior to the redemption date, funds which, in addition to any other moneys available therefor and held by the Registrar, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds for which notice of redemption has been given.

(c) Partial Redemption. If fewer than all of the outstanding Bonds are called for redemption at one time, they may be called in any order of their maturities, as determined by the Treasurer, and if fewer than all Bonds of a single maturity are to be redeemed, the selection of Bonds to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by lot by the Registrar in any manner which the Registrar may determine. 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 though 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 Registrar (i) for payment of the redemption price of the \$5,000 unit or units called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (ii) for issuance, without charge to the registered owner thereof, of a new Bond or Bonds of any authorized denominations or denominations in an

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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.

(d) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the 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 Register maintained by the 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 Bonds.

(e) Payment of Redeemed Bonds. Notice having been mailed in the manner provided in the preceding paragraph of this ordinance, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including any premium, plus interest accrued to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, are held by the 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 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.

Section 5. The Bonds shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance; shall be executed by the Mayor and by the Auditor, one or both of whose signatures may be a facsimile signature; shall be issued only in fully registered form; and shall be registered as to both principal and interest at the corporate trust office of the Registrar. The Bonds shall be issued in the denominations and numbers as requested by the Original Purchaser and approved by the Treasurer, and shall be numbered as determined by the Treasurer. The principal on the Bonds shall be payable upon presentation and surrender to the Registrar. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name that Bond is registered (the "Holder") on the registration books of the City maintained by the Registrar and at the address appearing thereon at the close of business of the fifteenth day of the calendar month preceding the Interest Payment Date (the "Regular Record Date") or by wire transfer made at the written request of a Holder of at least \$1,000,000 aggregate principal amount of the Bonds. Any interest not timely paid (the "Defaulted Interest") shall cease to be payable to the person who is the Holder as of the Regular Record Date and shall be payable to the person who is the Holder at the close of business on a special record date for the payment of such defaulted interest. Such special record date (the "Special Record Date") shall be fixed by Council whenever moneys become available for payment of the Defaulted Interest, and the Registrar shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than ten (10) days prior thereto to each Holder at his address as it appears on the registration books of the City maintained by the Registrar. The principal and interest on the Bonds is payable in lawful money of the United States of America without deduction for the services of any Registrar.

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No Bond shall be valid or become obligatory for any purpose unless and until an authentication certificate appearing on the Bond shall have been duly endorsed by the Registrar.

Any Bond, upon surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the Holder or his duly authorized attorney in such form as shall be satisfactory to the Registrar, at the option of the Holder thereof, may be exchanged for Bonds of any authorized denomination or denominations in an aggregate principal amount not exceeding the principal amount of the Bond so exchanged, and bearing interest at the same rate and maturing on the same date.

Any Bond may be transferred only upon the books kept for the registration and transfer of Bonds upon surrender thereof at the principal corporate trust office of the Registrar together with an assignment duly executed by the Holder or his duly authorized attorney in such form as shall be satisfactory to the Registrar. Upon the transfer of any such Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Bond, of any authorized denomination, in aggregate principal amount equal to the principal amount of such Bond, and bearing interest at the same rate and maturing on the same date.

In all cases in which Bonds shall be exchanged or transferred, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this ordinance. The City and Registrar may make a charge for every such exchange or transfer of Bonds sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and the Registrar may require that such charge or charges shall be paid before any such new Bond shall be delivered. Anything herein to the contrary notwithstanding, no exchange or transfer of Bonds shall be required to be made (i) between the tenth day preceding the mailing of notice of redemption of Bonds and the date of that mailing, or (ii) of any Bond selected for redemption, in whole or in part.

The Bonds, pursuant to the terms set forth below, may also be issued to a Depository (as hereinafter defined) for use in a book-entry system. The Treasurer is hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the registration, authentication, immobilization, and transfer of Bonds, including arrangements for the payment of principal and interest by wire transfer, after determining that the execution thereof will not endanger the funds or securities of the City, which determination shall be conclusively evidenced by the signing of any such agreement.

The Bonds may be issued to a Depository (as hereinafter defined) for use in a book-entry system (as hereinafter defined) and, if and as long as a book-entry system is utilized, (i) the Bonds shall be issued in the form of one fully registered Bond registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (ii) the beneficial owners in book-entry form shall have no right to receive Bonds in the form of physical securities or certificates; (iii) ownership of beneficial interests in book-entry form shall be shown by a book entry on the system maintained and operated by the Depository and its Participants (as hereinafter defined), and transfers of the ownership of beneficial 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 Treasurer may attempt to have established a securities depository/book-entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the beneficial owners by the then Depository and any other arrangements he deems necessary, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver bond certificates in

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bearer or registered form, as he determines, 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. Bond certificates authenticated and delivered pursuant to this paragraph shall be in the denomination of \$5,000 each or any integral multiple thereof.

As used in this Section and this Ordinance:

“Book-entry form” or “book-entry system” means a form or system under which (i) the beneficial right to principal and interest may be transferred only through a book entry and (ii) physical Bonds in registered form are issued only to a Depository or its nominee as registered owner, with the Bonds “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in that principal and interest.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining a book-entry system to record beneficial ownership of the right to principal and interest, 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.

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

Section 6. The Bonds shall be awarded and sold at private sale to the purchaser identified in the Certificate of Award (the “Original Purchaser”), in accordance with law, the provisions of this ordinance and the Treasurer’s determination of the best interests of and financial advantages to the City and its taxpayers and conditions currently existing in the financial market, at the purchase price specified in the Certificate of Award (the “Purchase Price”), and the Treasurer, if requested by the Original Purchaser, shall sign and deliver, in the name and on behalf of the City, a bond purchase agreement between the City and the Original Purchaser. Pursuant to Section 133.30(B) of the Ohio Revised Code, the Treasurer is authorized, if it is determined to be in the best interest of the City, to combine the issue of Bonds with one or more other bond issues of the City into a consolidated bond issue to be designated “Various Purpose General Obligation Bonds, Series 2016,” in which case a single Certificate of Award may be utilized for the consolidated issue if appropriate and consistent with the terms of this ordinance.

The Mayor, the Treasurer and the Auditor, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents, agreements, certificates and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance. The Treasurer shall, in accordance with his determination of the best interests of and financial advantages to the City and its taxpayers and conditions then existing in the financial markets, consistently with the provisions hereof, establish the terms of the Bonds to be specified in the Certificate of Award; sign the Certificate of Award referred to in Section 7 evidencing the sale of the Bonds; obtain the services of Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A., Bond Counsel; cause the Bonds to be prepared; and 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.

Section 7. The Treasurer is hereby authorized to determine and specify in a certificate (the “Certificate of Award”) the following terms and provisions with respect to the Bonds:

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- 1) the aggregate principal amount, provided that such amount shall not exceed \$5,850,000;
- 2) the interest rates on the Bonds, provided that the weighted average of such rates shall not exceed 8%, calculated by dividing the total interest payments for the issue (reduced by any premium or accrued interest paid as part of the price for the issue paid to the Original Purchaser by subsequent purchasers of the Bonds (the “reoffering price”), and increased by any discount included in the reoffering price), by the product of the reoffering price and the weighted average maturity of the Bonds. For purposes of this subparagraph, the weighted average maturity is the sum of the products of the reoffering price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions) divided by the reoffering price of the entire issue;
- 3) the Purchase Price, provided that the amount thereof (excluding any portion thereof representing accrued interest on the Bonds from their date to the date of their delivery) shall be not less than ninety-seven percent (97%) of the aggregate principal amount of the Bonds;
- 4) the Interest Payment Dates, provided that the Interest Payment Dates shall occur semiannually, and provided further than the first Interest Payment Date shall occur no later than June 1, 2017;
- 5) the Principal Retirement Dates, the Term Maturity Dates, and the Mandatory Redemption Dates, provided that the first Principal Retirement Date shall be no later than December 1, 2017;
- 6) the Principal Retirement Schedule (including the Mandatory Sinking Fund Installments), provided 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 fiscal year; and provided further, that the Principal Retirement Dates for the Bonds shall be determined consistent with the maximum maturity of the Bonds as certified to this Council by the Auditor, as fiscal officer;
- 7) the Earliest Optional Redemption Date, provided that such date shall occur no later than ten years from the first Principal Retirement Date of the Bonds; and
- 8) the Optional Redemption Prices, provided that, no such Optional Redemption Price shall exceed 103% of the principal amount of the Bonds to be redeemed.

Section 8. The accrued interest and premium, if any, on the Bonds shall be paid into the Bond Retirement Fund to be applied to the payment of the principal and interest of the Bonds in the manner provided by law. The remaining proceeds from the sale of said Bonds, except proceeds used for payment of certain costs of issuance set forth in Section 133.15(B), Ohio Revised Code, shall be deposited into an escrow account and used for the purpose of redeeming all of the refunded bonds within 90 days or less from the issuance date of the Bonds, and for no other purpose, pursuant to the terms of a refunding escrow agreement (“Escrow Agreement”), which is hereby authorized. Issuance costs may be paid out of any other lawfully available moneys of the City and any such costs which are future financing costs may be paid from the same sources from which the principal of and interest on the Bonds are paid. The Escrow Agreement shall be in customary form, as approved by the Treasurer or the Auditor as evidenced by such official’s signature thereon. The moneys deposited pursuant to the Escrow Agreement shall be held as cash or invested in direct non-callable obligations of or unconditionally guaranteed by the U.S. Department of the Treasury, or a combination of both, determined to be sufficient, with the interest or other investment income accruing on those direct or guaranteed obligations, for the payment of debt charges on the refunded bonds, and such escrowed moneys shall be irrevocably set aside and pledged for such purpose. The Treasurer is

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authorized to select the Escrow Agent, and the Treasurer and the Auditor each are authorized to execute the Escrow Agreement and the Auditor is hereby authorized to pay the charges for the services of the Escrow Agent.

Section 9. The Mayor, Treasurer and Auditor, and or one of them, are authorized and directed to complete and sign, on behalf of the City and in their official capacities an initial official statement and an official statement, with such modifications, changes and supplements from the initial official statement as those officers or any one of them shall approve or authorize. Those officers are authorized, on behalf of the City and in their official capacities, to (i) determine, and to certify or otherwise represent, when the initial official statement or official statement is “deemed final” (except for permitted omissions) by the City as of its date or is a final official statement for purposes of SEC Rule 15c2-12(b)(1), (3) and (4), (ii) use and distribute, or authorize the use and distribution of, those initial official statements or official statements and any supplements thereto in connection with the original issuance of the Bonds, and (iii) complete and sign those initial official statement and official statements as so approved together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of those initial official statements and official statements.

Section 10. For the purpose of providing the necessary funds to pay the interest on the foregoing issue of Bonds promptly when and as the same falls due, and also to provide a fund sufficient to pay the principal of the Bonds when due, there shall be and is hereby levied on all taxable property in the City, in addition to all other taxes, a direct tax annually during the period said Bonds are to run in an amount sufficient to provide funds to pay the interest upon said Bonds as and when the same fall due, and also to provide a fund for the payment of the principal of 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 Constitution of Ohio.

Section 11. Said tax shall be and is hereby 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 said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levy hereby required shall be placed in a separate and distinct fund, which, together with the interest collected on the same (other than such interest as may be required to be rebated to the federal government), shall be irrevocably pledged for the payment of the principal and interest on said Bonds when and as the same fall due; provided, however, that in each year to the extent that revenues are available from other sources for the payment of the Bonds and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the City shall be reduced by the amount of such revenues so available and appropriated.

Section 12. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in and for the issuing of the Bonds in order to make them legal, valid and binding obligations of the City have been performed in regular and due form as required by law; that the full faith and credit of said City shall be and are hereby irrevocably pledged for the prompt payment of the principal thereof and the interest thereon at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, will be exceeded in issuing the Bonds.

Section 13. The City covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as maybe necessary so that the Bonds will not constitute arbitrage Bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”). The Auditor, as the fiscal officer, or any other officer of the City having responsibility for the issuance of the Bonds shall give an appropriate certificate 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,

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circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on the Bonds.

The City further covenants that it (a) 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, and (b) will not take or authorize to be taken any actions that would adversely affect that exclusion, and that 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 rebate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Auditor and other appropriate officers are authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

The Bonds are hereby designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the City hereby covenants that the City, having no “subordinate entities” with authority to issue obligations within the meaning of that Section of the Code, in or during the calendar year in which the Bonds are issued (expected to be in 2016), (i) will not designate as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code tax-exempt obligations, including the Bonds, in an aggregate principal amount in excess of \$10,000,000, and (ii) will not issue tax-exempt obligations within the meaning of Section 265(b)(4) of the Code, including the Bonds and any qualified 501(c)(3) bonds as defined in Section 145 of the Code (but excluding obligations, other than qualified 501(c)(3) bonds, that are private activity bonds as defined in Section 141 of the Code), in an aggregate principal amount exceeding \$10,000,000, unless the City receives an opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not cause the Bonds to cease to be “qualified tax-exempt obligations.”

Section 14. If, in the judgment of the Treasurer, the filing of an application for a policy of insurance from a company or companies to better assure the payment of principal and interest on the Bonds is in the best interest of and financially advantageous to the City, the Council authorizes and directs the Treasurer to prepare and submit that application and to provide to that company or companies the information required for the purpose.

Section 15. The Treasurer is authorized and directed to execute a continuing disclosure certificate (the “Disclosure Certificate”) setting forth the City’s undertaking to provide annual reports and notices of certain events dated the date of delivery of the Bonds and delivered to the Original Purchaser for the benefit of the bondholders and to assist the Original Purchaser in complying with S.E.C. Rule 15c2-12(b)(5). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate. Failure of the City of comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder may take such actions as may be necessary and appropriate to cause the City to comply with its obligations under this Section.

Section 16. The Auditor, as fiscal officer of the City, is hereby directed to forward a certified copy of this Ordinance to the County Fiscal Officer.

Section 17. The Treasurer is hereby authorized to apply, if he deems it appropriate, for a rating on the Bonds from one or more nationally recognized rating services.

Section 18. Each of the covenants and obligations of the City and its officers and agents herein contained is hereby established as a duty specifically enjoined by law and resulting from an office, trust or station upon the City and its officers and agents within the meaning of Section 2731.01 of the Revised Code.

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Section 19. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in those formal actions, were in meetings open to the public, in compliance with all legal requirements including the City’s Codified Ordinances and Section 121.22 of the Revised Code of Ohio.

Section 20. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of this City and for the further reason that, the immediate issuance and sale of the bonds herein authorized is necessary to obtain favorable terms of the bonds in a fluctuating bond market; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed: _____, 2016

President of Council

Attest: _____
Clerk of Council

Approved: _____, 2016

Filed with
the Mayor: _____, 2016

Mayor, City of Parma, Ohio

FISCAL OFFICER'S CERTIFICATE

City of Parma, Ohio
_____, 2016

TO THE COUNCIL OF THE CITY OF PARMA, OHIO

The undersigned, Fiscal Officer of the City of Parma, Ohio (the "City"), as defined by Revised Code Section 133.01, and in the ordinance authorizing the bonds hereinafter referred to, hereby certifies in connection with your proposed issue of bonds in the principal amount of not to exceed \$5,850,000 (the "Bonds") for the purpose of refunding all or a portion of the City's Municipal Facility Improvement Refunding Bonds, Series 2006 (Limited Tax), originally issued to advance refund the City's Municipal Facility Improvement Bonds, Series 1998 (Limited Tax) issued for the purposes of financing the construction and equipment of a new municipal justice center, consisting of police, court and jail facilities and all necessary appurtenances thereto:

1. That the estimated life of such improvement is hereby certified to be at least five (5) years.

2. That the maximum and latest maturity of the Bonds, pursuant to Section 133.34(A)(3) of the Ohio Revised Code, is 2026, being the year of last maturity permitted by law for the general obligation bonds being refunded by the Bonds.

Auditor
City of Parma, Ohio