

ORDINANCE NO. 50-18

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF ELECTRIC SYSTEM REVENUE BONDS UNDER ARTICLE XVIII OF THE OHIO CONSTITUTION IN THE MAXIMUM PRINCIPAL AMOUNT OF \$4,570,000 FOR THE PURPOSE OF PAYING THE COSTS OF IMPROVING THE CITY'S ELECTRIC SYSTEM BY THE CONSTRUCTION AND IMPLEMENTATION OF A NEW ELECTRICAL SUBSTATION TO INCREASE LOAD CAPACITY AND TO PROVIDE FOR A SECONDARY POINT TO PROVIDE POWER FOR DISASTER PREPAREDNESS OR EQUIPMENT FAILURE PURPOSES, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to the provisions of Article XVIII of the Ohio Constitution (the "Act"), the City now owns and operates, as a public utility, a municipal electric system (the "Utility"), the services of which are supplied to users within and outside the corporate limits of the City; and

WHEREAS, this Council has previously determined that improvements to the Utility are necessary for it to be adequate to meet the needs of the City, its inhabitants and other users, and this Council caused to be prepared by consulting engineers suitable reports, plans, specifications and estimates of cost sufficient to determine the nature, character and cost of improving the Utility; and

WHEREAS, based upon those reports, this Council previously determined it to be necessary and took certain steps to improve the Utility; and

WHEREAS, this Council finds and determines that it is necessary and in the best interest of the City to issue electric system revenue bonds to provide moneys to pay for the costs of the Project described in Section 2 and pay Financing Costs;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Jackson, Jackson 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:

"Act" means Article XVIII of the Ohio Constitution.

"Additional Bonds" means any additional bonds of the City which may be subsequently issued and payable solely from the Revenues on a parity with the (a) Series 2018 Bonds, (b) Outstanding Revenue Bonds and (c) OMEGA JV5 Debt Service and are secured by a pledge of the Net Revenues and the amounts on deposit in the Electric Revenue Fund (to the extent those amounts constitute Net Revenues) on a parity with the pledge of the Net Revenues and the amounts

on deposit in the Electric Revenue Fund (to the extent those amounts constitute Net Revenues) to the Outstanding Revenue Bonds and the OMEGA JV5 Debt Service.

“Auditor” means the Auditor of the City or any person serving in an interim or acting capacity with respect to that office.

“Authorized Denominations” means the minimum denominations or any integral multiple in excess thereof as set forth in the Certificate of Award.

“Bond Register” means all books and records necessary for the registration, exchange and transfer of Series 2018 Bonds as provided in Section 5.

“Bond Registrar” means the Auditor, the Original Purchaser or a bank or trust company authorized to do business in the State of Ohio, as designated by the Auditor in the Certificate of Award pursuant to Section 4 as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Series 2018 Bonds under the Certificate of Award and until a successor Bond Registrar shall have become such pursuant to the provisions of the Certificate of Award and, thereafter, “Bond Registrar” shall mean the successor Bond Registrar.

“Bond Service Charges” means the principal (as payable at stated maturity or pursuant to mandatory redemption) and interest required to be paid on the Series 2018 Bonds, the Outstanding Revenue Bonds, the OMEGA JV5 Debt Service and any Additional Bonds.

“Certificate of Award” means the certificate authorized by Section 6, to be executed by the Auditor, setting forth and determining those terms or other matters pertaining to the Series 2018 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 Series 2018 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.

~~“Electric Construction Fund” means the Construction Fund (Fund No. 405) heretofore created and continued pursuant to Section 8 of this Ordinance.~~

“Electric Revenue Fund” means the Electric Revenue Fund (Fund No. 731) heretofore created and continued pursuant to Section 8 of this Ordinance.

“Financing Costs” shall have the meaning given in Section 133.01 of the Ohio Revised Code.

"Interest Payment Dates" means June 1 and December 1 of each year that the Series 2018 Bonds are outstanding, or such other date or dates of each year as specified in the Certificate of Award, commencing on the date specified in the Certificate of Award.

"Mandatory Redemption Date" shall have the meaning set forth in Section 3(b).

"Mandatory Sinking Fund Redemption Requirements" shall have the meaning set forth in Section 3(e)(i).

"Mayor" means the Mayor of the City or any person serving in an interim or acting capacity with respect to that office.

"Net Revenues" means Revenues minus Operating Reserve minus Operating Expenses.

"OMEGA JV5 Agreement" means the Joint Venture Agreement regarding the Ohio Municipal Electric Generation Agency Joint Venture 5 among Ohio municipal corporations, including the City, dated as of January 1, 1993, as amended and supplemented from time to time.

"OMEGA JV5 Debt Service" means the payment of the principal and interest on the City's obligations incurred pursuant to the OMEGA JV5 Agreement.

"Operating Expenses" means all expenses for the operation, maintenance, administration and ordinary current repairs of the Utility necessary in order to maintain and operate the Utility in a reasonable and prudent manner, and including items normally included as essential expenses in the operating budget of municipally owned electric systems, and further including, without limitation, insurance premiums, the City's administrative expenses allocable to the Utility (including, without limitation, engineering, architectural, legal, consulting and accounting fees and expenses), any taxes or assessments, whether general or special, that are lawfully imposed on the Utility or on the revenue or income derived from the operation of the Utility, charge for electricity, telephone and other public or private utility services, any penalty or fine imposed on the City by any governmental or regulatory authority arising from the City's manner of operation of the Utility (except to the extent, if any, such penalty or fine is subordinated to the payment of Operating Expenses and Bond Service Charges), and fees and expenses of the Bond Registrar and any authenticating and paying agents, and other expenses related to the foregoing, all as determined (except as otherwise specified in this definition) in accordance with standard principles of municipal utility accounting. Operating Expenses shall not include: (1) Bond Service Charges; or (2) any allowance for amortization or depreciation of the Utility; or (3) expenditures for capital replacements having an estimated life or usefulness and cost that exceeds minimum standards established by the City's accounting policies, and engineering, architectural, legal, consulting and accounting fees and expenses incurred in connection with those expenditures.

"Operating Reserve" means an amount to be on deposit in the Electric Revenue Fund equal to one-sixth of the Operating Expenses incurred by the Utility in the immediately preceding calendar year that may be used to pay Operating Expenses.

"Original Purchaser" means the purchaser of the Series 2018 Bonds specified in the Certificate of Award.

“Outstanding Revenue Bonds” means the City’s outstanding Electric System Revenue Refunding Bonds, Series 2014 dated as of September 12, 2014.

“Principal Payment Dates” means December 1 in each of the years from and including 2019 to and including 2033; provided that the first Principal Payment Date may be deferred up to one year and the last Principal Payment Date may be advanced or deferred by such number of years as determined by the Auditor, and provided further that in no case shall the final Principal Payment Date of the Series 2018 Bonds be later than December 1, 2038, all of which determinations shall be made by the Auditor in the Certificate of Award in such manner as to be in the best interest of and financially advantageous to the City.

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

“Revenues” means all revenues received by the City from or in connection with the ownership, operation, use and services of the Utility, including without limitation, all rates, charges, rentals and other income related to the Utility and received by the City or accrued to the City, to be deposited into the Electric Revenue Fund, all as determined in accordance with standard principles of municipal utility accounting, together with any other money of the City deposited in the Electric Revenue Fund except proceeds from the sale of bonds, notes or other obligations of the City. Revenues do not include (a) proceeds from the sale of any bonds, notes or other obligations of the City, (b) proceeds from the sale of any portion of the Utility or the profit or loss from the sale or other designation, not in the ordinary course of business, of any fixed or capital assets of the Utility, (c) proceeds of insurance (other than insurance that provides for lost revenue when the Utility is unable to function) or proceeds from a taking pursuant to eminent domain, or (d) any investment income realized from any investment made from any money in the Electric Revenue Fund.

“Serial Bonds” means those Series 2018 Bonds designated as such and maturing on the dates set forth in the Certificate of Award, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Series 2018 Bond” or “Series 2018 Bonds” means, collectively, the Serial Bonds and the Term Bonds, each as is designated as such in the Certificate of Award, as authorized in Section 2.

“Series 2018 Bond Proceedings” means, collectively, this Ordinance, the Certificate of Award, the Purchase Agreement (if any) and such other proceedings of the City, including the Series 2018 Bonds, that provide collectively for, among other things, the rights of holders of the Series 2018 Bonds.

“Term Bonds” means those Series 2018 Bonds designated as such and maturing on the 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.

“Utility” means the municipal electric distribution system which is owned by the City and all additions, replacements, and improvements to that system, and any other electric utility facilities to be operated by the City as a part of the Utility.

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 and determined to be in the City's best interest to issue bonds of this City in the maximum principal amount of \$4,570,000 (the "Series 2018 Bonds") for (i) the purpose of paying the costs of improving the City's electric system by the construction and implementation of a new electrical substation to increase load capacity and to provide for a secondary point to provide power for disaster preparedness or equipment failure purposes, together with all necessary appurtenances thereto (the "Project") and (ii) paying Financing Costs of the Series 2018 Bonds. The Series 2018 Bonds shall be issued pursuant to the Act, this Ordinance and the Certificate of Award.

The principal amount of Series 2018 Bonds to be issued shall not exceed the maximum principal amount specified in this Section 2 and shall be an amount determined by the Auditor in the Certificate of Award to be the principal amount of Series 2018 Bonds that is required to be issued at this time for the purpose stated in this Section 2, taking into account the costs of the Project, other City monies available for the purpose, the estimates of the Financing Costs and the interest rates on the Series 2018 Bonds.

The proceeds from the sale of the Series 2018 Bonds received by the City (or withheld by the Original Purchaser on behalf of the City) shall be paid into the proper fund or funds, and those proceeds are hereby appropriated and shall be used for the purpose for which the Series 2018 Bonds are issued as provided in this Ordinance, including without limitation but only to the extent not paid by others, the payment of the costs of issuing and servicing the Series 2018 Bonds, printing and delivery of the Series 2018 Bonds, legal services including obtaining the approving legal opinion of bond counsel, fees and expenses of any paying agent and rating agency, placement agent fees, any fees or premiums relating to municipal bond insurance or other security arrangements determined necessary by the Auditor, and all other Financing Costs and costs incurred incidental to those purposes. The Certificate of Award and the Purchase Agreement (if any) may authorize the Original Purchaser to withhold certain proceeds from the purchase price of the Series 2018 Bonds to provide or the payment of any Financing Costs related to the Series 2018 Bonds on behalf of the City. Any portion of those proceeds received by the City representing accrued interest shall be paid into the Electric Revenue Fund.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Series 2018 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 Series 2018 Bonds shall be dated as provided in the Certificate of Award, provided that their dated date shall not be more than sixty (60) days prior to the Closing Date. If requested by the Original Purchaser, the Auditor is hereby authorized to prepare one bond representing the aggregate principal amount of Series 2018 Bonds maturing on all of the Principal Payment Dates, all as set forth in the Certificate of Award.

(a) Interest Rates and Payment Dates. The Series 2018 Bonds shall bear interest at the rate or rates per year and computed on the basis as shall be determined by the Auditor, subject to subsection (c) of this Section 3, in the Certificate of Award. Interest on the Series 2018 Bonds shall be payable at such rate or rates on the Interest Payment Dates until the principal amount has been paid or provided for. The Series 2018 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.

(b) Principal Payment Schedule. The Series 2018 Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements on the Principal Payment Dates in principal amounts as shall be determined by the Auditor, subject to subsection (c) of this Section 3, in the Certificate of Award, which determination shall be in the best interest of and financially advantageous to the City.

Consistent with the foregoing and in accordance with the determination of the best interest of and financially advantageous to the City, the Auditor shall specify in the Certificate of Award (i) the aggregate principal amount of Series 2018 Bonds to be issued as Serial Bonds, the Principal Payment Date or Dates on which those Series 2018 Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date and (ii) the aggregate principal amount of Series 2018 Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Series 2018 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 (each a "Mandatory Redemption Date") and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date.

(c) Conditions for Establishment of Interest Rates. The net interest cost for the Series 2018 Bonds determined by taking into account the respective principal amounts of the Series 2018 Bonds and terms to maturity or Mandatory Sinking Fund Redemption Requirements of those principal amounts of Series 2018 Bonds shall not exceed 6.00%.

(d) Payment of Debt Charges. The debt charges on the Series 2018 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 a Series 2018 Bond shall be paid on each Principal Payment Date and interest shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Series 2018 Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 15th day preceding that Interest Payment Date; provided, however, that so long as the entire principal amount of the Series 2018 Bonds is represented by a single certificate, payment of principal and interest may be made by wire or check or draft mailed to the person in whose name the Series 2018 Bond was registered on the applicable date of payment, with presentation and surrender of said certificate to be made to the Bond Registrar after payment of principal and interest at final maturity.

(e) Redemption Provisions. The Series 2018 Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Series 2018 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 redemption requirements, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts being referred to as 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 any Term 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 the 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 bearing interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the City on or before the 45<sup>th</sup> 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 bearing interest at the same rate as the Term Bonds so delivered. If the certificate is not timely furnished to the Bond Registrar, the current Mandatory 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 bearing interest at the same rate as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory 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

bearing interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Series 2018 Bonds of the maturities and interest rates specified in the Certificate of Award (if any are so specified) shall be subject to optional redemption by and at the sole option of the City, in whole or in part in Authorized Denominations, on the dates and at the redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date, to be determined by the Auditor in the Certificate of Award; provided that the redemption price for any optional redemption date shall not be greater than 103%.

If optional redemption of Term Bonds at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any Mandatory Redemption Date applicable to those Term Bonds, the Term Bonds, or portions thereof, to be redeemed optionally shall be selected by lot prior to the selection by lot of the Term Bonds of the same maturity (and interest rate within a maturity if applicable) to be redeemed on the same date by operation of the Mandatory Sinking Fund Redemption Requirements. Series 2018 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 the City by passage of an ordinance or adoption of a resolution. That notice shall specify the redemption date and the principal amount of each maturity (and interest rate within a maturity if applicable) of Series 2018 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 Series 2018 Bonds are called for optional redemption at one time and Series 2018 Bonds of more than one maturity (or interest rate within a maturity if applicable) are then outstanding, the Series 2018 Bonds that are called shall be Series 2018 Bonds of the maturity or maturities and interest rate or rates selected by the City. If fewer than all of the Series 2018 Bonds of a single maturity (or interest rate within a maturity if applicable) are to be redeemed, the selection of Series 2018 Bonds of that maturity (or interest rate within a maturity if applicable) to be redeemed, or portions thereof in Authorized Denominations, 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 Series 2018 Bonds by lot when Series 2018 Bonds of denominations greater than the Authorized Denominations are then outstanding, each Authorized Denomination unit of principal thereof shall be treated as if it were a separate Series 2018 Bond of the Authorized Denomination. If it is determined that one or more, but not all, of the Authorized Denomination units of principal amount represented by a Series 2018 Bond are to be called for redemption, then, upon notice of redemption of an Authorized Denomination unit or units, the registered owner of that Series 2018 Bond shall surrender the Series 2018 Bond to the Bond Registrar (A) for payment of the redemption price of the Authorized Denomination 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 Series 2018 Bond or Series 2018 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 Series 2018 Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Series 2018 Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Series 2018 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 Series 2018 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 15<sup>th</sup> day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Series 2018 Bond, however, shall not affect the validity of the proceedings for the redemption of any Series 2018 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 Series 2018 Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Series 2018 Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of Section 3(d), 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 Bonds called for redemption.

Section 4. Execution and Authentication of Series 2018 Bonds; Appointment of Bond Registrar. The Series 2018 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 Series 2018 Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Auditor with such approval being evidenced by the execution of the Series 2018 Bonds by the Auditor, and shall be numbered as determined by the Auditor in order to distinguish each Series 2018 Bond from any other Series 2018 Bond, 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.

The Auditor is hereby authorized to designate in the Certificate of Award the Auditor, the Original Purchaser or a bank or trust company authorized to do business in the State of Ohio to act as the initial Bond Registrar. The Auditor shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Certificate of Award, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Certificate of Award and the Purchase Agreement (if any), from the proceeds of the Series 2018 Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Series 2018 Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Series 2018 Bond Proceedings unless and until the certificate of authentication printed on the Series 2018 Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Series 2018 Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Series 2018 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 Series 2018 Bonds.

Section 5. Registration; Transfer and Exchange.

(a) Bond Register. So long as any of the Series 2018 Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep the Bond Register at its main office. Subject to the provisions of Section 3(d), the person in whose name a Series 2018 Bond is registered on the Bond Register shall be regarded as the absolute owner of that Series 2018 Bond for all purposes of the Series 2018 Bond Proceedings. Payment of or on account of the debt charges on any Series 2018 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 5. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Series 2018 Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Series 2018 Bond may be exchanged for Series 2018 Bonds of any Authorized Denomination upon presentation and surrender at the main 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. A Series 2018 Bond may be transferred only on the Bond Register upon presentation and surrender of the Series 2018 Bond at the main 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 Series 2018 Bond or Series 2018 Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Series 2018 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 Series 2018 Bonds only after the new Series 2018 Bonds are signed by the authorized officers of the City. In all cases of Series 2018 Bonds exchanged or transferred, the City shall sign and the Bond Registrar shall authenticate and deliver Series 2018 Bonds in accordance with the provisions of the Series 2018 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 Series 2018 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 Series 2018 Bond Proceedings as the Series 2018 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) Series 2018 Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Series 2018 Bonds to be redeemed and the date of that mailing, or (ii) any Series 2018 Bond selected for redemption, in whole or in part.

Section 6. Sale of the Series 2018 Bonds. The Auditor is authorized to sell the Series 2018 Bonds at private sale to the Original Purchaser at a purchase price of not less than 100% of the aggregate principal amount thereof, as shall be determined by the Auditor in the Certificate of Award, plus accrued interest (if any) on the Series 2018 Bonds from their date to the Closing Date, and shall be awarded by the Auditor 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 and the provisions of this Ordinance and the Purchase Agreement (if any).

The Auditor shall sign and deliver the Certificate of Award and shall cause the Series 2018 Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series 2018 Bonds, to the Original Purchaser upon payment of the purchase price.

If determined by the Auditor to be in the best interest of and financially advantageous to this City to utilize a Purchase Agreement for the sale of the Series 2018 Bonds, the Mayor and the Auditor shall sign and deliver, in the name and on behalf of the City, the Purchase Agreement between the City and the Original Purchaser, in substantially the form as is now on file with the Clerk of Council, providing for the sale to, and the purchase by, the Original Purchaser of the Series 2018 Bonds. The Purchase 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 Purchase Agreement or amendments thereto.

The Mayor, the Auditor, the Director of Law, the Treasurer, the Clerk of Council and other City officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance.

The actions of the Mayor, the Auditor, the Director of Law, the Treasurer, the Clerk of Council or other City officials, as appropriate, in doing any and all acts necessary in connection with the issuance and sale of the Series 2018 Bonds are hereby ratified and confirmed.

Section 7. Use of Proceeds. The proceeds of sale of the Series 2018 Bonds shall be allocated and deposited as follows and in the following order:

- (a) To the Electric Revenue Fund, any accrued interest paid by the Original Purchaser;
- (b) To the Electric Construction Fund, to be applied to pay any Financing Costs and, together with other funds available from the City, the amount determined by the Auditor as necessary to pay the costs of the Project; and
- (c) The balance, to the Electric Revenue Fund, to pay Bond Service Charges on the Series 2018 Bonds.

The proceeds of the sale of the Series 2018 Bonds are appropriated and shall be used for the purpose for which those Series 2018 Bonds are issued as provided in this Ordinance.

Section 8. Continuation of Utility Funds; Application of Revenues. The following funds relating to the operation of the Utility shall be created or continued and the transfers described below shall be effected, all effective on the Closing Date:

(a) The Electric Revenue Fund heretofore created shall be continued and all Revenues, except for investment income on Funds other than the Electric Revenue Fund (which investment income shall be credited and deposited as provided below), shall be deposited in the Electric Revenue Fund. The moneys on deposit in the Electric Revenue Fund shall be allocated as provided below.

(b) The Electric Construction Fund heretofore created shall be continued and a portion of the proceeds of the Series 2018 Bonds shall be deposited and used to pay the costs of the Project and Financing Costs.

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~~The funds established or continued by this Section 8 shall be maintained in the custody of~~ the City separate and distinct from all other funds of the City. The Auditor shall be the custodian of all funds belonging to, or associated with, the Utility and those funds shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation. Until required for such purpose, monies in the Electric Revenue Fund and the Electric Construction Fund shall, when and as directed by the Auditor, be invested in accordance with law, and in the case of the Electric Revenue Fund, in investments maturing not later than the payment date next following such investment.

On and after the Closing Date and so long as any of the Series 2018 Bonds, the Outstanding Revenue Bonds, the OMEGA JV5 Agreement or Additional Bonds remain outstanding, all Revenues from the operation of the Utility, as now constituted or hereafter improved or extended, shall be transferred to, or deposited in, the Electric Revenue Fund, which shall continue to be maintained in the name of the City, in a fund separate and distinct from all other funds of the City. Moneys on deposit in the Electric Revenue Fund shall be used as follows:

- First: To pay all Operating Expenses;
- Second: After reserving the Operating Reserve, to pay Bond Service Charges; and
- Third: For any other lawful purpose.

Interest on any moneys or investments in any of the funds and accounts described above shall be credited to such fund or account containing the moneys or investments on which the interest was earned or, if the interest would cause the deposits and the balance in a particular fund to exceed the then-current requirements applicable thereto, the excess may otherwise be disposed of in accordance with general law.

Section 9. Security for the Series 2018 Bonds. The Series 2018 Bonds, together with the Outstanding Revenue Bonds, the OMEGA JV5 Debt Service and any Additional Bonds that may be issued hereafter on a parity with, are special obligations of the City. During the year or years in which the Series 2018 Bonds are outstanding, the City hereby pledges all of the Net Revenues of the Utility and the amounts on deposit in the Electric Revenue Fund (to the extent those amounts constitute Net Revenues) to secure the payment of the principal of and interest on the Series 2018 Bonds, the Outstanding Revenue Bonds, the OMEGA JV5 Debt Service and any Additional Bonds. The lien of the pledge of those Net Revenues and the Electric Revenue Fund shall from this date be valid and binding. Those Net Revenues and the Electric Revenue Fund shall be subject to the lien of that pledge without any physical delivery thereof or further act and such lien shall be valid and binding against all parties having claims of any kind against the City. Neither the State of Ohio nor the City shall be obligated to pay the principal of or interest on the Series 2018 Bonds from any other funds or source, nor shall the Series 2018 Bonds be a claim upon or lien against any property of or under the control of the City except the Net Revenues, the Electric Revenue Fund and the proceeds of the sale of the bonds issued pursuant to law to refund the Series 2018 Bonds. The Series 2018 Bonds do not and shall not constitute a debt or a pledge of the faith and credit of the State of Ohio or of any other political subdivision thereof, and the holders thereof shall have no right to have taxes or excises levied by the General Assembly or taxing authority of any political subdivision of the State for the payment of the principal thereof or interest thereon.

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The City covenants that it will promptly pay from such sources the principal and interest on every Series 2018 Bond, the Outstanding Revenue Bonds, the OMEGA JV5 Debt Service and Additional Bond at the places, on the dates and in the manner provided in this Ordinance, each ordinance authorizing the issuance of the Outstanding Revenue Bonds, the OMEGA JV5 Agreement, the Series 2018 Bonds and Additional Bonds, according to the true intent and meaning thereof.

Nothing in this Ordinance or the Series 2018 Bonds shall constitute a general obligation debt or tax-supported bonded indebtedness of the City; the general resources of the City shall not be required to be used, and neither the general credit nor taxing power or full faith and credit of the City are or shall be pledged, for the performance of any duty under this Ordinance or the Series 2018 Bonds. Nothing in this Ordinance gives the holders of Series 2018 Bonds, and they do not have, the right to have excises or taxes levied by the Council for the payment of the principal and interest on the Series 2018 Bonds or the operating expenses of the Utility, but the Series 2018 Bonds are payable solely from the Net Revenues of the Utility and the amounts on deposit in the Electric Revenue Fund (to the extent those amounts constitute Net Revenues), as provided in this Ordinance, and each Series 2018 Bond shall contain a statement to that effect; provided, however, that nothing shall be deemed to prohibit the City, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this Ordinance or the Series 2018 Bonds.

Section 10. Covenants of the City. The City, by issuance of the Series 2018 Bonds, covenants and agrees with their holders to perform its applicable covenants and agreements set forth in this Ordinance. The City particularly covenants that:

(a) It will promptly and efficiently operate the Utility, will provide and maintain appropriate insurance coverage upon all insurable Utility properties, and will maintain such personal indemnity bonds, as may, from time to time, be determined to be adequate by the City or its consultants in accordance with the customary requirements in like operations.

(b) It will operate and maintain the Utility in sound operating condition, free from any liens or encumbrances which would interfere with the full and continuous use and operation thereby by the City.

(c) Subject to applicable requirements and restrictions imposed by law, at all times it will prescribe and charge such rates, charges and rentals for the services and facilities of the Utility, and so restrict Operating Expenses, as shall be necessary in order to produce Net Revenues in each year not less than 100% of the Bond Service Charges due in that year.

(d) It will promptly pay from Net Revenues the Bond Service Charges on every Series 2018 Bond issued at the places, on the dates and in the manner provided for in the Series 2018 Bond Proceedings according to the true and intent and meaning thereof.

(e) The City shall not issue any Additional Bonds unless prior to such issuance the Auditor certifies that the Net Revenues during the two years immediately preceding the year of the passage of the ordinance authorizing the Additional Bonds, adjusted to reflect, if necessary, rates, charges and rentals of the Utility enacted by Council prior to the effective date of the ordinance authorizing the Additional Bonds, will aggregate in an amount not less than 100% of the Bond Service Charges on the Series 2018 Bonds, the Outstanding Revenue Bonds, the OMEGA JV5 Debt Service and the Additional Bonds in each subsequent year.

(f) It will segregate, for accounting purposes, the Revenues and the Electric Revenue Fund and the Electric Construction Fund from all other revenues and funds of the City, will keep

proper books of record and account so as to show the complete financial results of the operation of the Utility, including the Revenues and Operating Expenses and all capital expenditures therefor, and invest and deposit the same in accordance with law and this Ordinance.

(g) At any and all times, it will cause to be done all such further acts and things and cause to be signed and delivered all such further instruments as may be necessary to carry out the purpose of the Series 2018 Bonds and this Ordinance or as may be required by the Act, and comply with all requirements of law applicable to the Utility and its operation.

(h) It will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under this Ordinance, the Series 2018 Bonds and the Series 2018 Bond Proceedings.

Each of those obligations is binding upon the City, and upon each City officer or employee as from time to time may have the authority under law to take any action on behalf of the City that may be necessary to perform all or any part of that obligation, as a duty of the City and of each of those officers and employees resulting from an office, trust or station within the meaning of Section 2731.01 of the Ohio Revised Code, providing for enforcement by writ of mandamus.

Section 11. Federal Tax Considerations. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Series 2018 Bonds in such manner and to such extent as may be necessary so that (a) the Series 2018 Bonds will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code or (ii) be treated other than as bonds to which Section 103 of the Code applies, and (b) the interest thereon will not be an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Series 2018 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 Series 2018 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 Auditor or any other officer of the City having responsibility for issuance of the Series 2018 Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, filing or waiver on behalf of the City with respect to the Series 2018 Bonds as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2018 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 Series 2018 Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Series 2018 Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Series 2018 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 and the tax status of the Series 2018 Bonds. The Auditor or any other officer of the City having responsibility for issuance of the Series 2018 Bonds is specifically authorized to designate the Series 2018 Bonds as "qualified tax-exempt obligations" if such designation is applicable and desirable, and to make any related necessary representations and covenants.

Section 12. Payment and Discharge of Series 2018 Bonds. All or any part of the Series 2018 Bonds shall be deemed to have been paid and discharged and shall no longer be considered outstanding within the meaning of this Ordinance and secured by a lien on the Net Revenues, if:

(a) an escrow trustee shall have received, in trust for and irrevocably committed thereto, sufficient moneys, or

(b) an escrow trustee shall hold, in trust for and irrevocably committed thereto, non-callable United States Treasury Obligations, State and Local Government Series or other direct obligations of or obligations guaranteed as to payment by the United States as defined in Section 133.34(D) of the Ohio Revised Code ("Direct Obligations") that shall be the subject of a report by an independent certified public accounting firm of national reputation which verifies the mathematical accuracy of schedules provided by or on behalf of the City to document satisfaction that they will be of such maturities or redemption dates and interest payment dates, and bear such interest or other investment income, as will be sufficient without further investment or reinvestment of either the principal amount of or the interest or other investment earnings from them (likewise to be held in trust and so committed, except as provided herein), together with any moneys referred to in (a) above,

for the payment, when due, of all principal and interest payments on the Series 2018 Bonds to be redeemed, to the date or respective dates of maturity or redemption, as the case may be; provided that if any Series 2018 Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been duly given or irrevocable provision shall have been duly made for the giving of that notice. Any moneys held in cash in accordance with the provisions of this Section 12 shall be invested only in Direct Obligations the maturities or redemption dates (at the option of the holder) coincide as nearly as practicable with, but not later than, the date or dates at which the moneys will be required for the purposes stated above. Any income or interest earned by, or increment to, the investments held under this Section 12, to the extent from time to time not required for the purposes of this Section 12, shall be transferred to a fund designated by the City, free of any trust, pledge or lien.



Section 13. Rating, Bond Insurance and Financing Costs.

(a) Application for Rating or Bond Insurance. If, in the judgment of the Auditor, the filing of an application for (i) a rating on the Series 2018 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 the Series 2018 Bonds, is in the best interest of and financially advantageous to this City, the Auditor is authorized to prepare and submit those applications, to provide to each such agency or company such information as may be required for the purpose, and to provide further for the payment of the cost of obtaining each such rating or policy, except to the extent otherwise paid in accordance with the Purchase Agreement (if any), from the proceeds of the Series 2018 Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose. The Auditor is hereby authorized, to the extent necessary or required, to enter into any agreements, in the name of and on behalf of the City, which the Auditor determines to be necessary in connection with the obtaining of that bond insurance.

(b) Financing Costs. The expenditure of the amounts necessary to pay any Financing Costs in connection with the Series 2018 Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement (if any), is authorized and approved, and the Auditor is authorized to provide for the payment of any such amounts and costs from the proceeds of the Series 2018 Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

Section 14. Bond Counsel. The legal services of the law firm of Squire Patton Boggs (US) LLP 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 Series 2018 Bonds and rendering at delivery related legal opinions, all as set forth in the form of engagement letter from that firm which is 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 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. The amounts necessary to pay those fees and any reimbursement are hereby appropriated from the proceeds of the Series 2018 Bonds, if available, and otherwise from available moneys in the General Fund.

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Section 15. Placement Agent. The services of Robert W. Baird & Co. Incorporated, as placement agent, are hereby retained. The placement agent services shall be in the nature of financial advice and recommendations in connection with the issuance and sale of the Series 2018 Bonds. In rendering those placement agent services, as an independent contractor, that firm shall not exercise any administrative discretion on behalf of the City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the City or any other political subdivision, or the execution of public trusts. That firm

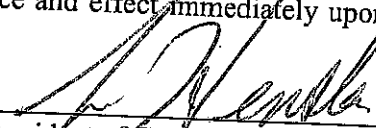
shall be paid just and reasonable compensation for those placement agent services and shall be reimbursed for the actual out-of pocket expenses it incurs in rendering those placement agent services. The Auditor is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm. The amounts necessary to pay those fees and any reimbursement are hereby appropriated from the proceeds of the Series 2018 Bonds, if available, and otherwise from available moneys in the General Fund.

Section 16. Other Determinations. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Series 2018 Bonds in order to make them legal, valid and binding special obligations of the City have been performed and have been met, or will at the time of delivery of the Series 2018 Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness will have been exceeded in the issuance of the Series 2018 Bonds.

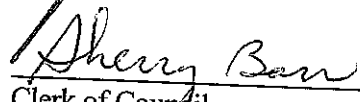
Section 17. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or any of its committees, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law, including Section 121.22 of the Ohio Revised Code.

Section 18. Emergency Ordinance. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to issue and sell the Series 2018 Bonds, which is necessary to enable the City to timely finance the Project and thereby take advantage of current favorable interest rates and better terms; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

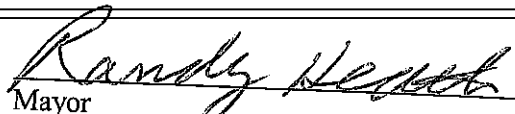
Passed: August 30, 2018

  
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President of Council

Attest: Sherry Barr  
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Clerk of Council

Approved: August 30, 2018

  
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Mayor