

ORDINANCE NO. C-83-89

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF \$1,350,000 OF BONDS FOR THE PURPOSE OF ACQUIRING REAL ESTATE AND INTEREST IN REAL ESTATE, CONSTRUCTING AND INSTALLING A SEWER LINE WITH RELATED EQUIPMENT AND APPURTENANCES FROM THE INDIAN TRAILS WASTEWATER TREATMENT PLANT IN THE CITY OF GROVE CITY TO THE SEWER LINE OWNED BY THE CITY OF COLUMBUS LOCATED ON THE WEST SIDE OF THE SCIOTO RIVER, DISMANTLING SAID INDIAN TRAILS TREATMENT PLANT AND IMPROVING THE SITE THEREOF, RETIRING NOTES PREVIOUSLY ISSUED FOR SUCH PURPOSE, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO ESTABLISH THE FINAL TERMS OF SAID BONDS, AUTHORIZING AN OFFICIAL STATEMENT RELATING TO THE ISSUANCE OF SAID BONDS AND DECLARING AN EMERGENCY

WHEREAS, pursuant to an Ordinance duly passed by the City Council (the "Council") of the City of Grove City, Franklin County, Ohio (the "Municipality") on July 17, 1989, notes in the principal amount of \$1,350,000, dated August 1, 1989, were issued in anticipation of the issuance of bonds for the purpose hereinafter stated, to mature December 15, 1989; and

WHEREAS, the Finance Director has certified to the Council that the estimated life of the improvement to be financed by the bonds hereinafter described exceeds five (5) years and the maximum maturity of said bonds is twenty (20) years; and

WHEREAS, it is now deemed necessary to issue and sell \$1,350,000 of said bonds under authority of the general laws of the State of Ohio, and in particular Sections 133.01 to 133.48, inclusive, of the Ohio Revised Code and the Charter of the Municipality, for the purpose herein stated;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE
CITY OF GROVE CITY, COUNTY OF FRANKLIN, STATE OF OHIO THAT:

SECTION 1. It is necessary to issue bonds of the Municipality in the principal sum of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) to be designated Grant Run Sanitary Sewer Line Improvement Bonds (the "Bonds") for the purpose of acquiring real estate and interests in real estate, constructing and installing a sewer line with related equipment and appurtenances from the Indian Trails Wastewater Treatment Plant in the City of Grove City to the sewer line owned by the City of Columbus located on the west side of the Scioto River, dismantling said Indian Trails Treatment Plant and improving the site thereof and retiring notes previously issued for such purpose; and paying the cost of advertising, printing and legal services. The Bonds shall be issued in one lot.

SECTION 2. The Bonds shall be issued only as fully registered bonds, in the denomination of \$5,000 or any integral multiple thereof but not exceeding the principal amount of Bonds maturing on any one date; shall be numbered as determined by the Finance Director; shall be dated as of October 1, 1989 and shall bear interest, payable semi-annually on the first day of June and December of each year (the "Interest Payment Dates") beginning June 1, 1990, until the principal sum is paid. Interest will be calculated on the basis of a 360 day year of twelve 30-day months. The Bonds shall mature in principal amounts on December 1 of such years and shall bear interest at such rates, not to exceed eight percent (8%) per annum, as shall be determined by the Finance Director and certified to this Council. The Finance Director is further authorized and directed to establish other terms of the Bonds, including provisions for optional or mandatory redemption and the purchase of municipal bond insurance if such insurance is determined by such officer in his sole discretion to be in the best interest of the City. Should the Finance Director determine that municipal bond insurance shall be purchased, he is further authorized and directed to execute in his official capacity on behalf of the City such policies, commitments and other documents relating to such insurance as he shall determine, in his sole discretion, to be necessary or appropriate.

SECTION 3. 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 the Finance Director of the Municipality, in their official capacities, and shall bear the corporate seal of the Municipality, provided that any of those signatures and the seal may be a facsimile. No Bond shall be valid or become obligatory

for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Bond, is signed by the Bond Registrar (as defined in Section 5 hereof) as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Bond Registrar or by such other person acting as an agent of the Bond Registrar and approved by the Finance Director on behalf of the Municipality. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Bonds.

Section 4. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. The principal of the Bonds shall be payable upon presentation and surrender of the Bonds at the principal corporate office of the Bond Registrar. Each Bond shall bear interest from the later of the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, unless the date of authentication of any Bond is after the 15th day of the calendar month immediately preceding an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered, at the close of business on the 15th day (unless such 15th day is a non-business day, in which case the record date will be the preceding business day) of the calendar month next preceding that Interest Payment Date (the "Record Date"), on the Bond Register (as defined in Section 5 hereof) at the address appearing therein.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Record Date by virtue of having been such owner and such Defaulted Interest shall be paid to the registered owner in whose name the Bond is registered at the close of business on a date (the "Special Record Date") to be fixed by the Bond Registrar, such Special Record Date to be not more than 15 nor less than 10 days prior to the date of proposed payment. The Bond 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, to each Bondholder, at his address as it appears in the Bond Register, not less than 10 days prior to such Special Record Date, and may, in its discretion, cause a similar notice to be published once in a newspaper in each place where Bonds are

payable, but such publication shall not be a condition precedent to the establishment of such Special Record Date.

Subject to the foregoing provisions of this Section 4, each Bond delivered by the Bond Registrar upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 5. Bank One Trust Company, NA, Columbus, Ohio, is appointed to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. So long as any of the Bonds remain outstanding, the Municipality will cause to be maintained and kept by the Bond Registrar, at the principal corporate trust office of the Bond Registrar, all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of Section 4 hereof, the person in whose name any Bonds shall be registered on the Bond Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of that person. Neither the Municipality nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, including the interest thereon, to the extent of the amount or amounts so paid.

Any Bond, upon presentation and surrender at the principal corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar, may be exchanged for Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

A Bond may be transferred only on the Bond Register upon presentation and surrender thereof at the principal corporate trust office of the Bond Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar. Upon that transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

The Municipality and the Bond Registrar shall not be required to transfer or exchange any Bond for a period of fifteen days next preceding the date of its maturity.

In all cases in which Bonds are exchanged or transferred hereunder, the Municipality shall cause to be executed and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Municipality 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 Municipality or the Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Bonds. All Bonds issued upon any transfer or exchange shall be the valid obligations of the Municipality, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Bonds surrendered upon that transfer or exchange.

SECTION 6. For the purpose of providing the necessary funds to pay the interest on the Bonds promptly as and when the same falls due, and also to provide a fund sufficient to discharge the principal of the Bonds at maturity, there shall be and is hereby levied on all the taxable property in the Municipality, in addition to all other taxes and inside the ten mill limitation, a direct tax annually during the period the Bonds are to run in an amount sufficient to provide funds to pay interest upon the Bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the Bonds at maturity, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution; provided, however, that in each year to the extent that funds are available from other sources and are lawfully appropriated for the payment of the Bonds, the amount of such tax shall be reduced by the amount of such funds so available and appropriated.

SECTION 7. 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. The tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the tax levies hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest and principal of the Bonds when and as the same fall due.

SECTION 8. The Bonds shall be first offered at par and accrued interest to the officer in charge of the Bond Retirement Fund for investment in said fund, and if said officer refuses to take any or all of the Bonds, the portion not so taken shall be sold at private sale to Prescott, Ball, & Turben, Inc., Columbus, Ohio (the "Underwriters") at a price not less than 100% of the par amount thereof, plus interest accrued to the date of delivery. The proceeds from the sale of the Bonds, except any premium and accrued interest thereon, shall be used for the purpose aforesaid and for no other purpose; any premium and accrued interest received from such sale shall be transferred to the Bond Retirement Fund to be applied to the payment of the principal and interest of the Bonds in the manner provided by law.

SECTION 9. The Municipality hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Bonds so that the Bonds will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The Municipality further covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder or under the Internal Revenue Code of 1954, as amended (the "Regulations"). The Fiscal Officer or any other officer, including the Clerk of this Council, having responsibility with respect to the issuance of the Bonds is authorized and directed to give an appropriate certificate on behalf of the Municipality, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the Municipality pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the Municipality regarding compliance by the Municipality with sections 141 through 150 of the Code and the Regulations.

The Fiscal Officer of the Municipality shall keep and maintain adequate records pertaining to investment of all proceeds of the Bonds sufficient to permit, to the maximum extent possible and presently foreseeable, the Municipality to comply with any federal law or regulation now or hereafter having applicability to the Bonds which limits the amount of Bond proceeds which may be invested on an unrestricted yield or requires the Municipality to rebate arbitrage profits to the United States Department of the Treasury. The Fiscal Officer of

the Municipality is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Bonds requires any such reports or rebates.

The Bonds are hereby designated by the Municipality to be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The Fiscal Officer or any other officer, including the Clerk of this Council, having responsibility with respect to the issuance of the Bonds is authorized and directed to give an appropriate certificate on behalf of the Municipality, for inclusion in the transcript of proceedings, setting forth the representations, warranties and covenants of the Municipality designed to assure that the Bonds will remain "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

SECTION 10. The form of Preliminary Official Statement relating to the Bonds as presented to this council, and the distribution thereof by the Original Purchaser, are hereby authorized, approved, ratified and confirmed. The proposed form of final Official Statement relating to the Bonds, as presented to this council, and the distribution by the Original Purchaser of the final Official Statement, in substantially the form presented to this council, are hereby authorized and approved. The Finance Director and the Mayor of said Issuer are authorized to execute and deliver the final Official Statement on behalf of the Issuer, which shall be substantially as per the form of Official Statement heretofore presented to this council, with such changes as the Finance Director and the Mayor may approve; their execution thereof on behalf of the Issuer to be conclusive evidence of such authorization and approval, and copies thereof are hereby authorized to be prepared and furnished to the Original Purchaser for distribution to prospective purchasers of the Bonds and other interested persons.

SECTION 11. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the Municipality have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the Municipality are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Bonds.

SECTION 12. It is hereby found and determined that all formal actions of this Council concerning and relating to the

adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 13. The Clerk is hereby directed to forward a certified copy of this ordinance to the County Auditor of Franklin County, Ohio.

Section 14. This ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the Municipality and its inhabitants for the reason that notes heretofore issued are about to mature and it is necessary to make immediate provision for their repayment in order to preserve the credit of the Municipality; wherefore this ordinance shall take effect and be in force from and immediately after its passage.

Signed:

Earl R. Nicholson
Presiding Officer

Passed September 18, 1989

Attest:

Effective September 18, 1989

June A. Cook
Clerk of Council

Approved as to form:

R. J. Hurst
Legal Officer

CERTIFICATE

The undersigned Clerk of Council hereby certifies that the foregoing is a true copy of Ordinance No. C-83-89 duly adopted by the Council of the City of Grove City, Ohio on the 18th day of September, 1989 and that a certified copy thereof was filed in the office of the County Auditor of Franklin County on the 18 day of Sept., 1989.

June A. Cook
Clerk of Council

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