



City of Gahanna

200 South Hamilton Road
Gahanna, Ohio 43230

Signature

Ordinance: ORD-____-2020

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Status: _____

In Control: _____

Version: ____

Final Action: __/__/2020

At a meeting of the City Council on __/__/2020, a motion was made by _____, seconded by _____, that this Ordinance be Adopted. The motion passed.

Yes: _____

No: _____

Absent: _____

TO AUTHORIZE THE ISSUANCE OF NOT TO EXCEED \$5,250,000 OF BONDS, OR NOTES IN ANTICIPATION OF BONDS, FOR THE PURPOSE OF PAYING A FINAL JUDGMENT, INCLUDING DEFENSE COSTS AND EXPENSES; RETIRING NOTES PREVIOUSLY ISSUED FOR SUCH PURPOSE; AUTHORIZING AND APPROVING RELATED MATTERS; AND DECLARING AN EMERGENCY.

WHEREAS, the Franklin County Common Pleas Court approved a Stipulated Settlement Agreement and Journal Entry in Case No. 12 CV 0008517, (the "Final Judgment"); and

WHEREAS, the Finance Director of the City (the "Finance Director") has certified to this City Council (the "Council") of the City of Gahanna, Ohio (the "City") that the City is unable, within the limits of its other funds that have been appropriated and are available for the purpose, to pay the Final Judgment, including defense costs and expenses; and

WHEREAS, the City has issued notes dated August 8, 2019, in the amount of \$5,000,000 (the "Outstanding Notes") in anticipation of the issuance of the bonds herein described, which Outstanding Notes will mature August 6, 2020; and

WHEREAS, this City Council (the "Council") of the City of Gahanna, Ohio (the "City") now deems it necessary to issue and sell securities, in one or more series, comprised of bonds or notes in anticipation of bonds, or a combination thereof, in an amount not to exceed \$5,250,000, as determined by the Finance Director, under authority of the general laws of the State of Ohio, and in particular Section 133.14 of the Ohio Revised Code, for the purpose of paying all or a portion of the principal of and interest due on the Outstanding Notes; and

WHEREAS, the Finance Director has certified to this Council that the maximum maturity and principal amount of the bonds herein authorized cannot exceed 25 years and notes is 19 years.

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

SECTION 1. AUTHORIZATION OF THE SECURITIES

Bonds of the City shall be issued in one or more series, in the principal sum of \$5,250,000 (the "Bonds"), or such lesser amount as shall be set forth in the Certificate of Award, as hereinafter defined, for the purpose set forth above and for paying the cost of advertising, printing and legal services and other costs incidental thereto.

In anticipation of the issuance of all or a portion of the Bonds, this Council hereby authorizes the issuance of notes in anticipation of the Bonds, in one or more series (the "Notes" and, together with the Bonds, the "Securities"), upon the determination by the Finance Director that it is in the best interest of the City to issue such Notes. The aggregate principal amount of the Securities issued pursuant to this Ordinance shall not exceed \$5,250,000.

SECTION 2. LEVY OF TAX

There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Securities are outstanding, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Securities as and when the same falls due and to provide a fund for the repayment of the principal of the Securities at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

SECTION 3. COLLECTION OF TAX; SOURCE OF PAYMENT

The Debt Service Levy 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 such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a

separate and distinct fund, which shall be irrevocably pledged for the payment of the premium, if any, and interest on and principal of the Securities when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Securities in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Securities in accordance with law.

SECTION 4. DEFINITIONS

In addition to the words and terms elsewhere defined in this Ordinance, the following words and terms as used in this Ordinance shall have the following meanings unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

“Authorized Denomination” means the denominations for the Securities specified in the Certificate of Award.

“Earliest Optional Redemption Date” means the date specified in the Certificate of Award as the earliest date on which the Securities may be called for redemption at the option of the City.

“Interest Payment Date” means the dates specified in the Certificate of Award for the Notes and Bonds, as applicable.

“Mandatory Redemption Dates” means, with respect to the Bonds, the first day of the month in the years to be specified in the Certificate of Award in which the Bonds that are Term Bonds are to be redeemed pursuant to Mandatory Sinking Fund Requirements.

“Mandatory Sinking Fund Requirements” means, as to Bonds maturing on Term Maturity Dates, amounts sufficient to redeem such Bonds (less the amount of credit as provided in the Certificate of Award) on each Mandatory Redemption Date, as are to be set forth in the Certificate of Award.

“Original Purchaser” means purchaser or purchasers of the Securities designated in the Certificate of Award.

“Optional Redemption Prices,” if any, for the Bonds shall be as set forth in the Certificate of Award.

“Principal Retirement Dates” means the day on which the Bonds are to be retired in accordance with their stated terms, which dates are to be specified in the Certificate of Award; provided that the Principal Retirement Dates shall be such that the final maturity of the principal portion of the Bonds included in the Bonds is not later than the final maturity date permitted pursuant to Section 133.20, Ohio Revised Code.

“Principal Retirement Schedule” means the schedule for the retirement of the principal of the Bonds on the Principal Retirement Dates, in accordance with their stated terms, in the years of Principal Retirement Dates and in the amounts to be retired which shall be determined in the Certificate of Award.

“Purchase Price” means the amount paid by the Original Purchaser to the City as consideration for the Securities, which amount shall be set forth in the Certificate of Award, but

such amount shall not be less than 100% of the original aggregate principal amount of the Securities, plus accrued interest from their date to the date of their delivery and payment therefor.

“Register” means all books and records necessary for the registration, exchange and transfer of Securities as provided in Section 9 of this Ordinance.

“Registrar” means the authenticating agent, registrar, transfer agent and paying agent for the Securities, as specified in Section 9 of this Ordinance.

“Term Bonds” means those Bonds, as determined in the Certificate of Award, that are to mature on Term Maturity Dates, unless previously redeemed pursuant to Mandatory Sinking Fund Requirements.

“Term Maturity Dates” means the day on which Bonds that are Term Bonds are to be retired in accordance with their stated terms, which date or dates are to be determined in the Certificate of Award.

SECTION 5. TERMS AND PROVISIONS OF NOTES

The provisions of this Section 5 shall apply in the event that the Finance Director determined it to be in the best interest of the City to issue the Securities in the form of Notes.

(a) Form; Maturity and Redemption. The Notes may be issued as fully registered securities in an Authorized Denomination but not exceeding the aggregate principal amount of Notes; shall be numbered as determined by the Registrar and shall bear interest at the rate, shall mature, shall be dated, and shall be subject to optional redemption in the years and at the redemption prices, as shall be set forth in the Certificate of Award.

Such additional terms related to the Notes, not inconsistent with this Ordinance, shall be specified in the Certificate of Award.

(b) Execution and Authentication and Payment. The Notes shall set forth the purposes for which they are issued and that they are issued pursuant to this Ordinance, and shall be executed by the Mayor and the Finance Director, in their official capacities, provided that any of those signatures may be a facsimile. No Note 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 Note, is signed by the Registrar as authenticating agent. Authentication by the Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance.

The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at the office of the Registrar.

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

(c) Ohio Market Access Program. If determined by the Finance Director to be necessary and in the best interests of the City, the City is hereby authorized to participate in the Ohio Market Access Program (“OMAP”) with the respect to the Notes. The Standby Note

Purchase Agreement for OMAP is hereby authorized in such form approved by the officers of the City executing that Standby Note Purchase Agreement and not otherwise inconsistent with this Ordinance. The City acknowledges the agreement of the Treasurer of State in the Standby Note Purchase Agreement that, in the event the City is unable to repay the principal amount and accrued and unpaid interest of the Notes at their maturity, whether through its own funds or through the issuance of other obligations of the City, the Treasurer of State agrees (a) to purchase the Notes from the holders or beneficial owners thereof upon their presentation to the Treasurer of State for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal Notes of the City in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal Notes bearing interest at a rate of the lower of the maximum interest rate provided by law or the 1-year MMD (Municipal Market Data) index for "AAA"-rated obligations plus 400 basis points (or such other rate methodology in effect as part of the program), maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer of State's purchase of such renewal Notes, the City shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal Notes are the legal, valid and binding general obligation of the City, and the principal of and interest on such renewal Notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes within the ten-mill limitation imposed by law on all property subject to ad valorem taxes levied by the City, and (ii) interest on the renewal Notes is excluded from gross income for federal income tax purposes under section 103 of the code to the same extent that interest on the Notes is so excluded.

Such officers signing the Notes are authorized to take all actions that may in their judgment reasonably be necessary to provide for such Standby Note Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Notes providing notice to the holders or beneficial owners of the existence of such Standby Note Purchase Agreement and providing instructions to such holders or beneficial owners regarding the presentation of the Notes for purchase by the Treasurer of State at stated maturity.

SECTION 6. TERMS AND PROVISIONS OF BONDS

The provisions of this Section 6 shall apply in the event that the Finance Director determined it to be in the best interest of the City to issue the Securities in the form of Bonds.

(a) Form; Maturity and Redemption. The Bonds shall be issued only as fully registered bonds, in the Authorized Denominations; shall be numbered from R-1 upward; shall be dated as set forth in the Certificate of Award; shall bear interest payable semi-annually on the Interest Payment Dates, until the principal sum is paid; and shall bear interest at the rates, shall mature, shall be subject to mandatory redemption in the amounts and on the dates, and shall be subject to optional redemption in the years and at the redemption prices, as shall be set forth in the Certificate of Award.

If less than all of the then outstanding Bonds are called for redemption, the Bonds so called shall be selected by lot by the City in such manner as it shall determine. When partial redemption of a single maturity of Bonds is authorized, the Registrar shall select Bonds or portions thereof by lot within such maturity in such manner as the Registrar may determine, provided, however, that the portion of any Bond so selected will be in the amount of \$5,000 or an integral multiple thereof.

The right of redemption shall be exercised by notice specifying by numbers the Bonds to be called, the redemption price to be paid, the date fixed for redemption and the places where amounts due upon such redemption are payable. The City shall cause such notice to be given by first class mail, postage prepaid, to the registered holder or holders of the Bonds to be redeemed, mailed to the address shown on the registration books, not less than thirty (30) days prior to such redemption date. All Bonds so called for redemption shall cease to bear interest on the redemption date, provided moneys for the redemption of said Bonds are on deposit at the office of the Registrar at that time.

(b) Execution and Authentication and Payment. The Bonds shall set forth the purposes for which they are issued and that they are issued pursuant to this Ordinance, and shall be executed by the Mayor and the Finance Director, in their official capacities, provided that either or both of those signatures 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 Registrar as authenticating agent. Authentication by the 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 principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Registrar as paying agent. The principal of the Bonds shall be payable upon presentation and surrender of the Bonds at the office of the 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 less than 15 days prior to 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 next preceding that Interest Payment Date (the "Record Date") (unless such date falls on a non-business day, in which case the Record Date shall be the preceding business day), on the Register at the address appearing therein.

Subject to the foregoing provisions of this Section, each Bond delivered by the 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 7. SALE OF SECURITIES; CERTIFICATE OF AWARD; OFFICIAL STATEMENT

The Finance Director is authorized and directed to execute on behalf of the City one or more Certificates of Award (each, a "Certificate of Award") setting forth and determining such terms and other matters pertaining to the Securities, their issuance, sale or delivery, as are authorized and directed to be determined therein by this Ordinance. The Certificate of Award shall designate the title of the Securities, the aggregate principal amount of the Securities to be issued, the dated date, the purchase price, the maturity schedule, the interest rates, the optional and mandatory redemption provisions, if any, and such other terms not inconsistent with this Ordinance.

The Finance Director is authorized and directed to cause the Securities to be sold by either competitive sale or by negotiated sale. In the event that the Securities are sold by competitive sale, a Notice of Sale shall be published in the form and manner as shall be approved by the

Finance Director. After publication of such Notice of Sale, the Securities may be awarded and sold to such purchaser (the "Competitive Purchaser") as shall offer, in the opinion of the Finance Director, the best rate of interest on the Securities.

In the event that the Securities are sold through a negotiated sale, the Securities shall be sold to the purchaser or purchasers (collectively, the "Negotiated Purchaser") designated in the Certificate of Award. The Finance Director is authorized and directed to execute on behalf of the City a Purchase Agreement or term sheet with the Original Purchaser, setting forth the conditions under which the Securities are to be sold and delivered, which document shall be in such form and shall contain such terms, covenants and conditions not inconsistent with this Ordinance and permitted by applicable law as shall be approved by the Finance Director and approved as to form by the City Attorney.

The Finance Director is authorized and directed to execute on behalf of the City a Certificate of Award setting forth the Original Purchaser for the Securities, the aggregate principal amount of the Securities to be issued, the dated date of the Securities, the Purchase Price, the Specified Interest Rates, the Principal Retirement Dates, the Principal Retirement Schedule, Mandatory Redemption Dates, Mandatory Sinking Fund Requirements, Term Bonds, Term Maturity Dates, the Earliest Optional Redemption Date and the Optional Redemption Prices (all as hereinafter defined) and shall include such additional information as shall be required by the terms of this Ordinance.

The Finance Director is authorized and directed to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of the Securities to the Original Purchaser. Those officers are further directed to take all steps necessary to effect due execution, authentication and delivery of the Securities under the terms of this Ordinance and the Certificate of Award.

The distribution of an Official Statement of the City, in preliminary and final form, relating to the original issuance of the Securities is hereby authorized, and the Finance Director is hereby authorized and directed to negotiate, prepare and execute, on behalf of the City and in her official capacity, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Securities, and he is authorized and directed to advise the Original Purchaser in writing regarding limitations on the use of the Official Statement and any supplements thereto for purposes of marketing or reoffering the Securities as he deems necessary or appropriate to protect the interests of the City. The Finance Director, the City Attorney and any other official of the City are each authorized to execute and deliver, on behalf of the City and in their official capacities, such certificates in connection with the accuracy of the Official Statement, in either preliminary or final form, and any supplements thereto as may, in their judgment, be necessary or appropriate.

The Finance Director is hereby authorized and directed to execute and deliver, for the benefit of the holders of the Securities, a Continuing Disclosure Certificate in such form as is approved by the Finance Director, as necessary to assist the Original Purchaser in complying with Rule 15c2-12(b)(5) adopted by the Securities Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time. The approval of such Continuing Disclosure Certificate shall be conclusively evidenced by the execution of such certificate by the Finance Director.

SECTION 8. APPLICATION OF PROCEEDS

The par amount of the Securities, plus any premium allocated to paying the Final Judgment, including defense costs and expenses.

Any premium received from the sale of the Securities shall be deposited in the City Treasury and shall be credited to such funds and used for such purposes as shall be specified in the Certificate of Award. All moneys necessary to carry out the purpose of this Ordinance are hereby deemed appropriated and authorized for expenditure by the Finance Director.

The Finance Director is hereby authorized to pay the costs of issuance of the Securities from the proceeds of the sale of the Securities.

SECTION 9. REGISTRATION; TRANSFER

The Finance Director is appointed to act as the Registrar for the Securities. So long as any of the Securities remain outstanding, the City will cause the Register to be maintained and kept by the Registrar, at the office of the Registrar. Subject to the provisions of Section 5 and 6 hereof (as applicable to the Notes and Bonds, respectively), the person in whose name any Securities shall be registered on the Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and premium, if any, and interest on any Securities shall be made only to or upon the order of that person. Neither the City nor the 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 Securities, including the interest thereon, to the extent of the amount or amounts so paid.

Any of the Securities, upon presentation and surrender at the principal office of the 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 Registrar, may be exchanged for Securities of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Securities surrendered, and bearing interest at the same rate and maturing on the same date.

Any of the Securities may be transferred only on the Register upon presentation and surrender thereof at the principal office of the 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 Registrar. Upon that transfer, the Registrar shall complete, authenticate and deliver new Securities of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Securities surrendered, and bearing interest at the same rate and maturing on the same date.

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

In all cases in which Securities are exchanged or transferred hereunder, the City shall cause to be executed and the Registrar shall authenticate and deliver Securities in accordance with the provisions of this Ordinance. The exchange or transfer shall be without charge to the owner; except that the City and 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 Registrar may require that those charges, if any, be paid before it begins the

procedure for the exchange or transfer of the Securities. All Securities issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Securities surrendered upon that transfer or exchange.

If at any time the Finance Director determines that it is in the best interests of the City that a bank or other appropriate financial institution experienced in providing the services of authenticating agent, registrar, transfer agent and paying agent should serve as Registrar, or co-Registrar in addition to the Registrar, then the Finance Director shall, and is hereby authorized to execute on behalf of the City a Registrar Agreement with such entity, pursuant to which such bank or financial institution shall agree to serve as Registrar or co-Registrar for the Securities. If at any time such bank or financial institution shall be unable or unwilling to serve as Registrar or co-Registrar, or the Finance Director, in such officer's discretion, shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Finance Director may, and is hereby authorized and directed to, enter into an agreement with another banking association or other appropriate institution experienced in providing such services, to perform the services required of the Registrar or co-Registrar hereunder. Each such successor Registrar (or co-Registrar) shall promptly advise all holders of Securities of the change in identity and its address.

SECTION 10. BOOK ENTRY SYSTEM

The Securities, or any portion thereof, may be initially issued to a Depository for use in a book entry system (each as hereinafter defined), and the provisions of this Section shall apply notwithstanding any other provision of this Ordinance: (i) the Securities shall be 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 Securities in the form of physical securities or certificates; (iii) ownership of beneficial interests in any Security in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (iv) the Securities 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. Principal of and premium, if any, and interest on Securities in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the Depository or its authorized representative (a) in the case of interest, on each Interest Payment Date, and (b) in all other cases, upon presentation and surrender of Securities as provided in this Ordinance.

The Registrar may, with the approval of the Finance Director, enter into an agreement with the beneficial owner or registered owner of a Security in the custody of a Depository providing for making all payments to that owner of principal of and premium, if any, and interest on that Security or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided above in this Ordinance, without prior presentation or surrender of the Security, upon any conditions which shall be satisfactory to the Registrar and the City. That payment in any event shall be made to the person who is the registered owner of the Security on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Registrar will furnish a copy of each of these agreements, certified to be correct by the Registrar, to other paying agents for Securities and to the City. Any payment of principal, premium or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Ordinance.

The Finance Director is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the Registrar and The Depository Trust Company, as Depository, to be delivered, in connection with the issuance of the Securities to the Depository for use in a book entry system.

If any Depository determines not to continue to act as a depository for the Securities for use in a book entry system, the City and the Registrar may attempt to have established a securities depository/book entry relationship with another qualified Depository under this Ordinance. If the City and the Registrar do not or are unable to do so, the City and the Registrar, after the Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Securities from the Depository, and authenticate and deliver Security certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Securities), if the event is not the result of action or inaction by the City or the Registrar, of those persons requesting such issuance.

For purposes of this Ordinance the following terms shall have the following meanings:

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

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of Securities, and to effect transfers of Securities, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York, and its nominees.

SECTION 11. FEDERAL INCOME TAX COMPLIANCE

The City hereby covenants that it shall comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Securities that is intended to be excluded from gross income for federal income tax purposes, in accordance with the Internal Revenue Code of 1986, as amended (the “Code”) is and will continue to be excluded from gross income for federal income tax purposes (the “Tax-Exempt Securities”). The City further covenants that it shall restrict the use of the proceeds of the Tax-Exempt Securities in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Tax-Exempt Securities are issued, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the “Regulations”).

The Finance Director, or any other officer, including the Clerk, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Tax-Exempt Securities as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Tax-Exempt Securities or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess

earnings as rebate, or obviating those amounts or payments, as determined by the Finance Director, which action shall be in writing and signed by the Finance Director, or any other officer, including the Clerk, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure such exclusion of interest from gross income and the intended tax status of the Tax-Exempt Securities; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with Sections 141 through 150 of the Code and the Regulations.

The Finance Director shall keep and maintain adequate records pertaining to investment of all proceeds of the Tax-Exempt Securities sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Tax-Exempt Securities which limits the amount of proceeds of the Tax-Exempt Securities which may be invested at an unrestricted yield or requires the City to rebate arbitrage profits (or penalties in lieu thereof) to the United States Department of the Treasury. The Finance Director is hereby authorized and directed to file such reports with, and rebate arbitrage profits (or penalties in lieu thereof) to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Tax-Exempt Securities requires any such reports or rebates, and moneys necessary to make such rebates are hereby appropriated for such purpose. The payment of any rebate arbitrage profits (or penalties in lieu thereof) made to the United States Department of the Treasury shall be authorized and paid from such fund or funds as determined by the Finance Director.

SECTION 12. ADDITIONAL INSTRUMENTS AND CERTIFICATIONS.

The Mayor, Finance Director, and Clerk, or any of them individually, are hereby authorized and directed to take such action and to execute and deliver, on behalf of the Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this Ordinance, as they in their discretion shall deem necessary or appropriate.

SECTION 13. APPOINTMENT OF BOND COUNSEL.

The appointment of the law firm of Bricker & Eckler LLP to serve as Bond Counsel with respect to the issuance of the Securities is hereby approved. The fees to be paid to such firm shall be subject to review and approval by the Finance Director, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from such sources of funds as determined by the Finance Director, including proceeds of the Securities.

SECTION 14. APPOINTMENT OF MUNICIPAL ADVISOR.

The appointment of Baker Tilly Municipal Advisors, LLC to serve as municipal advisor to the City in connection with the issuance of the Securities is hereby approved. The fees to be paid to such firm shall be subject to review and approval of the Finance Director, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from such sources of funds as determined by the Finance Director, including proceeds of the Securities.

SECTION 15. OPEN MEETING COMPLIANCE

It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Securities in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the City 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 Securities.

SECTION 16. VALID AND BINDING OBLIGATIONS

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 17. FILING WITH COUNTY AUDITOR

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

SECTION 18. EFFECTIVE DATE

This Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the City and its inhabitants for the reason that this Ordinance must be immediately effective so that the Securities can be sold as soon as possible in order to retire the Outstanding Notes; wherefore this Ordinance shall take effect and be in force from and immediately after its adoption.

CERTIFICATE OF MAXIMUM MATURITY

To: City Council
City of Gahanna, Ohio

The undersigned Finance Director of the City of Gahanna, Ohio (the "City") as the fiscal officer of the City, hereby certifies as follows:

- (a) the City is unable, within the limits of its other funds that have been appropriated and are available for the purpose, to pay the amount due under the Settlement Agreement, approved by the Franklin County Common Pleas Court on June 4, 2019, Journal Entry in Case No. 12-CV-8517, *Douglas P. Laborde, et al., vs. The City of Gahanna, et al.* (the "Final Judgment"), including defense costs and expenses; and
- (b) with respect to a proposed issue of securities of the City in an aggregate principal amount of not to exceed \$5,250,000 to be issued for the purpose of paying the Final Judgment, including defense costs and expenses, the maximum maturity of bonds issued for such purpose cannot exceed the last day of December of the twenty-fifth year following issuance of such bonds, in accordance with Section 133.14, Ohio Revised Code to wit: December 31, 2044; therefore, the maximum maturity of bonds cannot be later than December 31, 2044; provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 19 years.

Dated: _____, 2020

Finance Director
City of Gahanna, Ohio

RECEIPT OF COUNTY AUDITOR FOR
LEGISLATION PROVIDING
FOR THE ISSUANCE OF
GENERAL OBLIGATION NOTES

I, Michael Stinziano, the duly elected, qualified, and acting County Auditor in and for Franklin County, Ohio hereby certify that a certified copy of an ordinance duly passed by the Council of the City of Gahanna, Ohio on _____, 2020, providing for the issuance of general obligation notes designated "Final Judgment Notes, Series 2020," in the amount of not to exceed \$5,250,000 was filed in this office on _____, 2020.

WITNESS my hand and official seal at Columbus, Ohio on _____, 2020.

[SEAL]

County Auditor
Franklin County, Ohio