

COUNCIL CHAMBER

City of Beren, Ohio

ORDINANCE No. 2016-63

By Jim Maxwell Sponsored By Mayor Cyril M. Kleem

AN ORDINANCE

PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$2,980,000 TO REFUND AT A LOWER INTEREST COST THE CITY'S OUTSTANDING VARIOUS PURPOSE IMPROVEMENT AND REFUNDING BONDS, SERIES 2006, DATED DECEMBER 19, 2006, MATURING ON AND AFTER DECEMBER 1, 2017, WHICH WERE ISSUED (A) TO PAY COSTS OF IMPROVING NORTH ROCKY RIVER DRIVE FROM MULBERRY STREET TO DEPOT STREET BY CONSTRUCTING SANITARY SEWER AND WATER LINES, TOGETHER WITH ALL APPURTENANCES THERETO AND RELATED IMPROVEMENTS, IMPROVING THE RECREATIONAL FACILITIES OF THE CITY BY REPLACING THE CITY'S OUTDOOR SWIMMING POOL, RESURFACING PORTIONS OF CERTAIN CITY STREETS TO BE APPROVED BY CITY COUNCIL, TOGETHER WITH ALL WORK INCIDENTAL THERETO, AND RECONSTRUCTING PORTIONS OF CERTAIN CITY STREETS TO BE APPROVED BY CITY COUNCIL, TOGETHER WITH ALL WORK INCIDENTAL THERETO, AND (B) FOR THE PURPOSE OF ADVANCE REFUNDING THE CITY'S OUTSTANDING VARIOUS PURPOSE BONDS, SERIES 1999 MATURING ON DECEMBER 1, 2018, WHICH PROVIDED FUNDING TO PAY COSTS OF IMPROVING THE RECREATIONAL FACILITIES OF THE CITY, REHABILITATING AND IMPROVING THE MUNICIPAL BUILDING, AND IMPROVING THE MUNICIPAL SEWERAGE SYSTEM, AUTHORIZING THE REDEMPTION OF THE REFUNDED BONDS, THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT WITH RESPECT TO THE REFUNDING AND RELATED MATTERS; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Ordinance No. 2006-68 and Ordinance No. 2006-69, passed November 6, 2006 (collectively, the "2006 Bond Ordinance"), bonds in the aggregate principal amount of \$7,365,000, dated December 19, 2006 (the "Outstanding 2006 Bonds"), were issued and those Outstanding 2006 Bonds maturing on and after December 1, 2017 were issued (a) to pay costs of (i) improving North Rocky River Drive from Mulberry Street to Depot Street by constructing sanitary sewer and water lines, together with all appurtenances thereto and related improvements, (Project 1), (ii) improving the recreational facilities of the City by replacing the City's outdoor swimming pool (Project 2), (iii) resurfacing portions of certain City streets to be approved by City Council, together with all work incidental thereto (Project 3), and (iv) reconstructing portions of certain City streets to be approved by City Council, together with all work incidental thereto (Project 4), and (b) for the purpose of advance refunding the City's outstanding Various Purpose Bonds, Series 1999 maturing on December 1, 2018, which provided funding to pay costs of improving the recreational facilities of the City, rehabilitating and improving the municipal building, and improving the municipal sewerage system (the projects described in this clause (b) referred to collectively as the "Advance Refunding Projects"; Projects 1, 2, 3 and 4 and the Advance Refunding Projects referred to collectively as the "Projects"); and

WHEREAS, this Council finds and determines that it will be in the City's best interest to issue general obligation bonds in accordance with Chapter 133 of the Ohio Revised Code in the maximum aggregate principal amount of \$2,980,000 (the "Bonds") to refund at a lower interest cost all of the Outstanding 2006 Bonds maturing on and after December 1, 2017 (collectively, the "Refunded Bonds"), which Refunded Bonds are subject to prior redemption at the option of the City in whole or in part on any date on or after December 1, 2016, at a redemption price of 100%, plus accrued interest to their redemption date, and to pay any expenses relating to that refunding and the issuance of the Bonds; and

WHEREAS, the Director of Finance, as fiscal officer of this City, has certified to this Council that the estimated life or period of usefulness of each of the Projects was, at the time the original indebtedness for the each Project was incurred, at least five years, and that the maximum maturity of the portion of the Bonds allocated to Project 3 is no earlier than December 1, 2021, to each of Project 1, Project 2 and Project 4 is no earlier than December 1, 2026, and to each of the Advance Refunding Projects is no earlier than December 1, 2018;

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

- 2 -

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Berea, Cuyahoga County, State of 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:

"Authorized Denominations" means one bond maturing on December 1, 2026 in the aggregate principal amount of the Bonds, with principal payable on each Principal Payment Date.

"Bond proceedings" means, collectively, this Ordinance, the Certificate of Award and such other proceedings of the City, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

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

"Bond Registrar" means the Director of Finance or a bank or trust company authorized to do business in the State of Ohio designated by the Director of Finance in the Certificate of Award as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds and until appointment of a successor Bond Registrar and, thereafter, "Bond Registrar" shall mean the successor Bond Registrar.

"Bonds" shall have the meaning set forth in Section 2.

"Certificate of Award" means the certificate authorized by Section 6 to be executed by the Director of Finance, setting forth and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this Ordinance requires or authorizes to be set forth or determined therein.

"Closing Date" means the date of physical delivery of, and payment of the purchase price for, the Bonds, which date shall not be later than November 1, 2016.

"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.

"Interest Payment Dates" means June 1 and December 1 of each year that the Bonds are outstanding, commencing on the date the Director of Finance specifies in the Certificate of Award, which date shall not be later than June 1, 2017.

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

"Principal Payment Dates" means December 1 in each of the years designated by the Director of Finance in the Certificate of Award, commencing no later than December 1, 2016 and ending no later than December 1, 2026.

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell | Sponsored By Mayor Kleem

- 3 -

"Redemption Date" means December 1, 2016.

"Refunded Bonds" means, collectively, the Outstanding 2006 Bonds maturing on and after December 1, 2017.

"Regulations" means Treasury Regulations issued pursuant to the Code or to the statutory predecessor of the Code.

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. This City Council determines that it is necessary and in the best interest of the City to issue bonds of this City in the maximum aggregate principal amount of \$2,980,000 (the "Bonds") to refund at a lower interest cost the Refunded Bonds, which were issued for the purpose of paying costs of the Projects, including the payment of expenses relating to the refunding of the Refunded Bonds and the issuance of the Bonds. The Bonds shall be issued pursuant to Chapter 133 of the Ohio Revised Code, the Charter of the City, this Ordinance and the Certificate of Award.

The aggregate principal amount of Bonds to be issued shall not exceed the maximum aggregate principal amount specified in this Section 2 and shall be an amount determined by the Director of Finance in the Certificate of Award to be required to be issued at this time for the purpose stated in this Section 2, taking into account the costs of refunding the Refunded Bonds, the costs of issuance of the Bonds, the principal and interest necessary to call the Bonds for redemption as provided in Section 9 hereof, the purchase price of the Bonds, and other funds available for those purposes. The Director of Finance shall allocate the principal amount of the Bonds and the principal payment schedule to each Project in the Certificate of Award based on the principal amount outstanding for each Project as set forth in the Final Terms Certificate for the Outstanding 2006 Bonds.

The proceeds from the sale of the Bonds received by 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 Bonds are being issued, including without limitation, the payment of the costs of issuing and servicing the Bonds, printing and delivery of the Bonds, legal services including obtaining the approving legal opinion of bond counsel, any paying agent, the escrow agent, and all other financing costs (as defined in Section 133.01 of the Ohio Revised Code) and costs incurred incidental to those purposes. Any portion of those proceeds received by the City representing premium or accrued interest shall be paid into the Bond Retirement Fund.

The expenditure of the amounts necessary to pay any financing costs (as defined in Section 133.01 of the Ohio Revised Code) in connection with the Bonds is authorized and approved, and the Director of Finance is authorized to provide for the payment of any such amounts and costs from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

- 4 -

SECTION 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be issued in one lot and only as fully registered bonds, in the Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The 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.

(a) **Interest Rates and Payment Dates.** The Bonds shall bear the rate of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not to exceed 4.25% per year, as specified by the Director of Finance in the Certificate of Award. Interest on the Bonds shall be payable at such rate on the Interest Payment Dates until the principal amount has been paid or provided for. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

(b) **Principal Payment Schedule.** The Bonds shall mature on the Principal Payment Dates in principal amounts as shall be determined by the Director of Finance, subject to subsection (c) of this Section, in the Certificate of Award, which determination shall be consistent with the best interest of and financial advantages to the City.

(c) **Conditions for Establishment of Principal Payment Dates and Amounts.** The rate or rates of interest per year to be borne by the Bonds, as specified by the Director of Finance in the Certificate of Award and the principal amount of Bonds maturing on each Principal Payment Date (and allocated to each Project) as determined by the Director of Finance in the Certificate of Award, shall be such that (i) the total principal and interest payments on the Bonds allocable to each Project in any fiscal year in which principal is payable and there are two semi-annual interest payments is not more than four times the amount of those payments with respect to that portion in any other fiscal year and, (ii) the principal amount of the Bonds payable on each Principal Payment Date shall be such that the principal amount allocated to each Project, as specified in the recitals above, shall be retired in full by the maximum maturity date for that portion of the principal amount, and (iii) the aggregate principal and interest payments to be made on the Bonds are less than the aggregate principal and interest payments that would remain to be made on the Refunded Bonds in the absence of any call for optional redemption of the Refunded Bonds.

(d) **Payment of Debt Charges.** The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent, by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date.

SECTION 4. Execution and Authentication of Bonds; Appointment of Bond Registrar. The Bonds shall be signed by the Mayor and the Director of Finance, in the name of the City and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations, shall be numbered as determined by the Director of Finance in order to distinguish each Bond from any other Bond, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to the Chapter 133 of the Ohio Revised Code, the Charter of the City, this Ordinance and the Certificate of Award.

The Director of Finance shall be the initial Bond Registrar unless the Director of Finance designates a bank or trust company authorized to do business in the State of Ohio to act as the initial Bond Registrar in the Certificate of Award.

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

- 5 -

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Director of Finance on behalf of the City. The same person need not sign the certificate of authentication on all of the Bonds.

SECTION 5. Registration; Transfer and Exchange; Book Entry System.

(a) Bond Register. So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep the Bond Register at its designated office. Subject to the provisions of Section 3(d), the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Bond may be exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the designated 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 Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the designated office of the Bond Registrar together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of Bonds exchanged or transferred, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer.

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Klesm

- 6 -

SECTION 6. Sale of the Bonds to the Original Purchaser. The Director of Finance is authorized to sell the Bonds at private sale to the Original Purchaser at a purchase price, not less than 97% of the aggregate principal amount thereof, as shall be determined by the Director of Finance in the Certificate of Award, plus accrued interest on the Bonds from their date to the Closing Date, and shall be awarded by the Director of Finance, in accordance with law and the provisions of this Ordinance and in accordance with her determination of the best interests of and financial advantages to the City and its taxpayers, taking into account conditions then existing in the financial markets, with and upon such other terms as are required or authorized by this Ordinance to be specified in the Certificate of Award. The Director of Finance is authorized, if it is determined to be in the best interest of the City, to combine the issue of Bonds with one or more other bond issues of the City into a consolidated bond issue pursuant to Section 133.30(B) of the Ohio Revised Code in which case a single Certificate of Award may be utilized for the consolidated bond issue if appropriate and consistent with the terms of this Ordinance.

The Director of Finance shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The Director of Finance is also authorized to sign a term sheet or bond purchase or placement agreement with the Original Purchaser specifying bond terms consistent with this Ordinance.

The Mayor, the Director of Finance, the Director of Law, 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 Director of Finance, if she determines it to be in the best interest of and financial advantages to the City, is hereby authorized to retain the financial advisory services of a person or entity in connection with the sale and issuance of the Bonds. In rendering those financial advisory services, as an independent contractor and in a financial advisor client relationship, that person or entity 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, municipality or other political subdivision, or of this City, or the execution of public trusts.

SECTION 7. Provisions for Tax Levy. There shall be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due. In each year, with respect to Project 1, to the extent the income from the City's waterworks system or sewerage system is available for the payment of debt charges on the Bonds and are appropriated for that purpose, the amount of the tax shall be reduced by the amount of the funds so available and appropriated. To the extent not provided for by those revenues or other funds appropriated for the payment of debt charges, in each year the amount of such property tax shall be reduced further by the amount of lawfully available municipal income taxes appropriated

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

- 7 -

and to be applied to the payment of the debt charges on the Bonds in compliance with the following covenant. To the extent necessary, the debt charges on the Bonds shall be paid from municipal income taxes lawfully available therefore under the Constitution and laws of the State of Ohio; and the City hereby covenants, subject and pursuant to such authority, including particularly Section 133.05(B)(7), Revised Code, to appropriate annually from such municipal income taxes such amounts, and to continue to levy and collect such municipal income taxes in such amounts, as are necessary to meet such annual debt charges. Nothing in this paragraph in any way diminishes the pledge of the full faith and credit and general property taxing power of the City to the prompt payment of the debt charges on the Bonds.

SECTION 8. Federal Tax Considerations. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (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 Director of Finance or any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections available under Section 148 of the Code and the designation of the Bonds as qualified tax-exempt obligations, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties with respect to the Bonds, 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 with respect to the Bonds, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds.

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

- 8 -

SECTION 9. Call for Redemption. Acting pursuant to the 2006 Bond Ordinance, this Council determines that, subject to the determination of the Director of Finance that interest rates available on the sale date will enable the City to obtain an interest rate savings on a net present value, it is necessary and in the best interest of the City to refund the Refunded Bonds and to redeem the Refunded Bonds by optional redemption and the Refunded Bonds are hereby called for redemption on the Redemption Date, at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. The Director of Finance is hereby authorized and directed to cause those Refunded Bonds to be called for redemption on the Redemption Date, and to arrange for the notice of redemption to be given in accordance with the applicable provisions of the 2006 Bond Ordinance.

SECTION 10. Escrow Agreement. U.S. Bank National Association, or its successor, is authorized and appointed to act as the escrow agent (the Escrow Agent) with respect to the refunding of the Refunded Bonds and to cause notice of the refunding of the Refunded Bonds to be given in accordance with the Escrow Agreement hereinafter defined. The Mayor and Director of Finance shall sign and deliver, in the name and on behalf of the City, an agreement (the Escrow Agreement) between the City and the Escrow Agent, in substantially the form as is now on file with the Clerk of Council. The Escrow 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 Director of Finance on behalf of the City, all of which shall be conclusively evidenced by the signing of the Escrow Agreement or amendments thereto. The Mayor and Director of Finance shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Escrow Agreement from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or to be appropriated for that purpose.

SECTION 11. Escrow Fund. There is created under the Escrow Agreement a trust fund as provided in the Escrow Agreement (the Escrow Fund) which shall be held and maintained by the Escrow Agent in trust for the registered owners of the Refunded Bonds and is pledged for the payment of principal of and interest and any redemption premium on the Refunded Bonds, all in accordance with the provisions of the Escrow Agreement. The Director of Finance is hereby authorized and directed to transfer to the Escrow Agent for deposit in the Escrow Fund (i) any funds on deposit in the Bond Retirement Fund or otherwise available for the payment of debt charges on the Refunded Bonds to the extent required to effect the redemption of the Refunded Bonds and (ii) all of the proceeds from the sale of the Bonds other than those needed for issuance costs of the Bonds and for the costs of refunding of the Refunded Bonds, as determined by the Director of Finance, and excepting any accrued interest. Those funds are appropriated and shall be used to pay principal of and interest on the Refunded Bonds, as provided in the Escrow Agreement.

The funds deposited in the Escrow Fund shall be (a) held in cash to the extent that they are not needed to make the investments hereinafter described and/or (b) invested in direct obligations of, or obligations guaranteed as to payment by, the United States of America (within the meaning of Section 133.34(D) of the Revised Code) that mature or are subject to redemption by and at the option of the holder, in amounts sufficient, together with any uninvested cash in the Escrow Fund but without further investment or reinvestment, for (i) the payment of interest on the Refunded Bonds to the extent due prior to the date of redemption, and (ii) the payment of principal and interest on the Refunded Bonds on the date of redemption as provided in this Ordinance and the Escrow Agreement. If the Director of Finance determines it to be necessary or desirable in connection with the refunding of the Refunded Bonds, the securities deposited into the Escrow Fund may be certified by an independent accounting firm to be selected by the

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

- 9 -

Director of Finance (the "Verification Agent"), to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or interest earnings therefrom together with any such cash deposited with and to be retained in that form by the Escrow Trustee, be sufficient to pay the principal of and interest and any redemption premium on the Refunded Bonds through the date of redemption. After the redemption of and payment in full of the principal of and interest on the Refunded Bonds, any moneys remaining in the Escrow Fund shall be transferred to the Bond Retirement Fund.

If U.S. Treasury Securities -- State and Local Government Series are to be purchased for the Escrow Fund, the Escrow Agent is hereby specifically authorized to file, on behalf of the City, subscriptions for the purchase and issuance of those U.S. Treasury Securities - State and Local Government Series. If, in the judgment of the Director of Finance, an open-market purchase of obligations described in (b) in the preceding paragraph for the Escrow Fund is in the best interest of and financially advantageous to this City, the Director of Finance or any other officer of the City, on behalf of the City and in his official capacity, may purchase and deliver such obligations, engage the services of a financial advisor, bidding agent or similar entity for the purpose of facilitating the bidding, purchase and delivery of such obligations for, and any related structuring of, the Escrow Fund, execute such instruments as are deemed necessary to engage such services for such purpose, and provide further for the payment of the cost of obtaining such services, from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose. Any actions heretofore taken by any of those officers in connection with the foregoing are hereby ratified and approved.

SECTION 12. Certification and Delivery of Ordinance and Certificate of Award. The Clerk of Council is directed to promptly deliver a certified copy of this Ordinance and a copy of the Certificate of Award to the Fiscal Officer of Cuyahoga County, Ohio.

SECTION 13. Satisfaction of Conditions for Bond Issuance. This City Council determines that all acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the City have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 7) of the City are pledged for the timely payment of the debt charges on the Bonds; that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds; and that the Bonds are being authorized and issued pursuant to Chapter 133 of the Ohio Revised Code, the Charter of the City, this Ordinance and the Certificate of Award.

SECTION 14. Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this ordinance were taken, and that all deliberations of this Council and of any committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

COUNCIL CHAMBER

City of Berea, Ohio

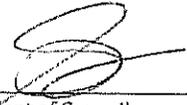
ORDINANCE No. 2016-63

By Maxwell Sponsored By Mayor Kleem

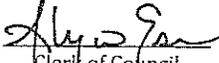
- 10 -

SECTION 15. Effective Date. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare of the City and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Bonds, which is necessary to enable the City to refund the Refunded Bonds upon terms in the best interest of and most advantageous to the City under current favorable market conditions and thereby to maximize the reduction in principal and interest payments on City indebtedness; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

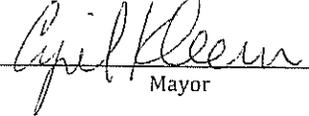
Passed: June 20 2016



President of Council

Attest: 
Clerk of Council

Approved: June 24 2016



Mayor