

ORDINANCE NO. 983 AC CMS

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF \$3,410,000 OF HOSPITAL REVENUE REFUNDING BONDS OF THE CITY OF OBERLIN, UNDER SECTION 3, ARTICLE XVIII, OHIO CONSTITUTION, AND CHAPTER 140, OF THE REVISED CODE, FOR THE PURPOSE OF REFUNDING AT A LOWER AGGREGATE INTEREST COST THE CITY'S OUTSTANDING HOSPITAL REVENUE BONDS DATED DECEMBER 1, 1970; CALLING FOR REDEMPTION THAT PORTION OF THE OUTSTANDING BONDS MATURING ON AND AFTER DECEMBER 1, 1984; AUTHORIZING THE EXECUTION OF AN INDENTURE PLEDGING THE REVENUES OF THE HOSPITAL FACILITIES TO SECURE SUCH REFUNDING BONDS; PROVIDING IN EVENT OF DEFAULT, FOR THE APPOINTMENT OF A RECEIVER TO ADMINISTER SAID FACILITIES; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Oberlin (herein called the "Municipality") has heretofore established and is the owner of a municipal general hospital affording hospital care and treatment for its residents; and such municipal general hospital is now in operation under a Lease of December 1, 1970, which Lease will be supplemented by a First Supplemental Lease to be dated as of December 1, 1973, between the City of Oberlin and Allen Memorial Hospital, a non-sectarian, charitable, non-profit corporation organized and existing under the laws of the State of Ohio (herein called the "Lessee"); and such municipal general hospital (herein called the "Hospital"), consists of a hospital building, equipment and furnishings therefor, appurtenances thereto, and certain real estate and site improvements; and

WHEREAS, there is now outstanding a Trust Indenture (said trust indenture being hereinafter sometimes referred to as the "1970 Trust Indenture") between the Municipality and The Ohio National Bank of Columbus, Columbus, Ohio (hereinafter called the "Outstanding Issue Trustee") dated as of December 1, 1970, given in compliance with Ordinance No. 735 AC CMS passed November 16, 1970 and Resolution No. 633 CMS passed December 7, 1970 (hereinafter collectively referred to as the "Original Ordinance") to secure an issue of \$3,100,000 Hospital Revenue Bonds dated December 1, 1970 (hereinafter referred to as the "Outstanding Issue") of which \$3,060,000 will be outstanding following the first principal payment of \$40,000 on December 1, 1973, and given further to secure any Additional Bonds thereafter issued on a parity therewith; and

WHEREAS, the bonds of the Outstanding Issue maturing on and after December 1, 1984, are subject to redemption in whole or in part on December 1, 1983, or on any interest payment date thereafter, and the principal amount of the outstanding bonds maturing in each year from 1974 to 1988, inclusive, and in the year 2000, together with the interest rate for each maturity, are as follows:

<u>Year</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
1974	\$ 40,000	6-1/2%	1982	\$ 125,000	7-1/2%
1975	40,000	6-1/2	1983	125,000	7-1/2
1976	40,000	7	1984	125,000	7-1/2
1977	40,000	7	1985	125,000	7-3/4
1978	125,000	7	1986	125,000	7-3/4
1979	125,000	7-1/4	1987	125,000	8
1980	125,000	7-1/4	1988	125,000	8
1981	125,000	7-1/4	2000	1,525,000	8-1/2

WHEREAS, the 1970 Trust Indenture, and in particular Article Ten thereof, provides that the Outstanding Issue Trustee shall release the 1970 Trust Indenture, including the cancellation and discharge of the lien thereof, and execute and deliver to the Municipality such instruments in writing as shall be requisite to satisfy the lien thereof and to enter on the records such satisfaction and discharge and such other instruments to evidence such release and discharge as may reasonably be required by the Municipality when all of the bonds of the Outstanding Issue and coupons appertaining thereto shall have been paid and discharged, and further provides that such payment and discharge shall be deemed to have occurred if the Trustee and any paying agent shall hold in trust for and irrevocably committed thereto, sufficient moneys, or if the Trustee shall hold, in trust for and irrevocably committed thereto, direct obligations of the United States certified by an independent public accounting firm of national reputation 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 the interest earnings therefrom (likewise to be held in trust and committed), be sufficient together with such moneys for the payment, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be; and

WHEREAS, based upon the proposal hereinafter referred to, the Municipality will, by the immediate provision for the refunding of \$3,060,000 in principal amount of the Outstanding Issue, being the bonds maturing in each year from 1974 to 1988, inclusive, and in the year 2000, including provision for the call of the bonds maturing on and after December 1, 1984 on December 1, 1983, and for the redemption premium thereon, be able to effect a savings of approximately \$1,401,000.00 with respect to the debt service and reserve fund requirements which would otherwise be required on the Outstanding Issue, and the Council of the Municipality desires, in order to accomplish such refunding and thereby to obtain the benefits aforesaid, to provide herein for the issuance and sale of Hospital Revenue Refunding Bonds, in accordance with and pursuant to Section 3, Article XVIII, Ohio Constitution, and Chapter 140 of the Ohio Revised Code, which bonds (hereinafter called "Refunding Bonds") and any Additional Bonds subsequently issued under the terms of this Ordinance on a parity therewith (hereinafter called "Additional Bonds") (the Refunding Bonds and the Addi-

tional Bonds being hereinafter collectively referred to as the "Bonds") shall impose no liability upon the Municipality but are to be payable only from, and secured by a pledge of the Pledged Revenues (defined in Section 3 of this Ordinance).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OBERLIN, OHIO:

Section 1. Findings - Authorization of \$3,410,000 of Refunding Bonds, Use of Proceeds -- The Council of the Municipality hereby finds and determines that the Hospital has been, and shall hereafter be, operated as a municipal general hospital in order to promote the public health and welfare by providing hospital care and treatment for its residents, and to provide in the Municipality a municipal general hospital; and pursuant to the authority conferred by Section 3 of Article XVIII, Ohio Constitution, and pursuant to Chapter 140 of the Ohio Revised Code, Council further finds and determines that it is for the best interest of the Municipality to obtain the savings in the funding requirements herein recited and, for such purpose and to produce the maximum available savings for the Municipality, it is necessary to immediately call for redemption, and provide for the payment on December 1, 1983 of the principal of the bonds of the Outstanding Issue maturing on and after December 1, 1984, to provide for the payment of the principal of and interest on bonds of the Outstanding Issue maturing on December 1 in each of the years 1974 to 1983, inclusive, to provide for the payment of the redemption premium on such bonds to be called for redemption on December 1, 1983, and forthwith to issue and sell the Refunding Bonds in the principal amount of \$3,410,000 having the terms herein provided for the purpose of refunding at a lower aggregate interest cost the bonds of the Municipality's Outstanding Issue maturing on the dates and in the amounts hereinbefore stated, and including provision for the payment of the interest thereon and the redemption premium applicable to the bonds maturing on and after December 1, 1984.

Section 2. Terms of Refunding Bonds. The Refunding Bonds shall be initially issued in coupon or fully registered form as may be requested by the Original Purchaser thereof and shall be exchangeable for fully registered or coupon bonds in the manner and on the terms provided in the Indenture. The Refunding Bonds in coupon form shall be dated December 1, 1973, shall be in the denomination of \$5,000 each and shall be registrable as to principal. The Refunding Bonds in fully registered form shall be in the denomination of \$5,000 or any multiple thereof; provided, that the Fiscal Officer with approval of the Trustee may authorize issuance of one or more fully registered bonds representing more than one maturity with appropriate changes in the form of such a Refunding Bond to cover more than one maturity. The Refunding Bonds in both coupon and registered form shall be numbered as determined by the Fiscal Officer. Each Refunding Bond in registered form without coupons

shall be dated as of the interest payment date on which it is authenticated or the interest payment date next preceding the date of its authentication or as of the same date as the coupon bonds if authenticated prior to the first interest payment date; provided, however, that if, at the time of authentication of a registered Refunding Bond without coupons, interest is in default, such Refunding Bonds shall be dated as of the date to which interest has been paid. The Refunding Bonds bear interest payable semi-annually on June first and December first of each year, beginning June 1, 1974, until the principal sum is paid at the rate of 6-5/8 % per annum, with interest on any overdue principal, and, to the extent that payment of such interest is enforceable under applicable law, on any overdue installment of interest, at a rate per annum one percent in excess of the interest rate applicable to the particular bond before maturity, until the principal sum is paid. The Refunding Bonds shall mature on December first in the years and in the principal amount set opposite the year as follows:

<u>Year</u>	<u>Principal Amount Maturing</u>	<u>Year</u>	<u>Principal Amount Maturing</u>
1974	\$110,000	1983	\$150,000
1975	115,000	1984	150,000
1976	125,000	1985	150,000
1977	135,000	1986	150,000
1978	140,000	1987	155,000
1979	145,000	1988	155,000
1980	150,000	1989	155,000
1981	150,000	1990	155,000
1982	150,000	1994	970,000

The Refunding Bonds maturing on December 1, 1994 are subject to mandatory call for redemption on December 1 in each of the years 1991 to 1994, both inclusive, in the respective principal amounts hereinafter set forth, at 100% of the par value thereof:

<u>Year</u>	<u>Principal Amount Subject To Redemption</u>
1991	\$155,000
1992	155,000
1993	155,000
1994	505,000

The Trustee on behalf of the Municipality, and without necessity for further action by the Municipality shall cause to be redeemed on December 1 in each of the years 1991 to 1994, both inclusive, an aggregate principal amount of the Refunding Bonds as provided in this paragraph.

The Refunding Bonds maturing on or after December 1, 1985 shall be subject to optional redemption in whole or in part on any interest payment date on and after December 1, 1984 at redemption prices equal to the following percentages of the principal amount redeemed, plus accrued interest to the date fixed for redemption:

<u>From</u>	<u>Through</u>	<u>Price</u>
December 1, 1984	December 1, 1986	104%
June 1, 1987	December 1, 1989	102-1/2%
June 1, 1990	December 1, 1992	101%
June 1, 1993	and thereafter	100%

Notice of call for redemption of the Refunding Bonds, whether mandatory or optional, specifying the numbers of the Refunding Bonds (and portions of fully registered Refunding Bonds) to be called, shall be published by the Trustee on behalf of the Municipality once a week for two consecutive weeks in a financial journal of national circulation, the first publication to be not less than thirty (30) days prior to the date of redemption, upon which date all interest upon the Refunding Bonds or portions thereof so called shall cease except for those as to which default shall be made, upon presentation, in the payment of the redemption price. If less than the entire unmatured portion of the Refunding Bonds is called for redemption at any time or from time to time, they shall be called in inverse order of maturity of those outstanding, and, if less than all of the Refunding Bonds outstanding of one maturity are to be called, the selection of Refunding Bonds or portions of fully registered Refunding Bonds of such maturity shall be made by lot by the Trustee in such manner as the Trustee may determine.

Principal and interest on Refunding Bonds in coupon form and the principal of Refunding Bonds in fully registered form shall be payable without deduction for services as the Issuer's paying agent, at the corporate trust office of the Trustee, or at the option of the holder at the office of The Oberlin Savings Bank Company, Oberlin, Ohio, except that principal of fully registered Refunding Bonds shall be payable only at the corporate trust office of the Trustee and interest on fully registered Refunding Bonds shall be payable by check or draft as provided in the Indenture.

The Refunding Bonds shall be signed by the Executive and the Fiscal Officer of the Municipality, provided that one or both of such signatures may be a facsimile, and shall bear the corporate seal or a facsimile thereof, and the interest coupons thereon shall bear the facsimile signature of the Fiscal Officer. When used in this Ordinance, "Executive" shall mean the City Manager, "Fiscal Officer" shall mean the Auditor, the "Legal Officer" shall mean the Solicitor. Any officer or board which hereafter succeeds, by operation of law, to the powers and duties of any such officers shall be deemed included in the applicable official designation while having such powers and duties.

Section 3. The Indenture referred to herein is the Trust Indenture hereinafter provided for between the Municipality and The Cleveland Trust Company, Cleveland, Ohio (herein with its successors called the "Trustee").

When used in this Ordinance "Pledged Revenues" or "Revenues" means all revenues derived by the Municipality from the operation of the Hospital or, in the event the Municipality leases or contracts for the operation of the Hospital, all revenues derived by the Municipality and the Trustee, including the Rental Reserve Fund, from the lease or contract.

Section 4. Sale of Refunding Bonds. The Refunding Bonds be and they are hereby awarded and sold to McDonald & Company, Cleveland, Ohio, and The Ohio Company, Columbus, Ohio, and Associates (hereinafter referred to as the "Original Purchaser"), in accordance with their written proposal for purchase dated November 19, 1973 which is hereby accepted. The Fiscal Officer be and he is hereby authorized and directed to make the necessary arrangements on behalf of the Municipality with the Original Purchaser to establish the date, location, procedure and conditions for delivery of the Refunding Bonds to the Original Purchaser and the Executive and Fiscal Officer are authorized and directed to take all steps necessary to effect due authentication, delivery and security of the Refunding Bonds pursuant to this Ordinance and the Indenture.

Section 5. Proceeds of Refunding Bonds. The proceeds from the sale of the Refunding Bonds shall, subject to the release of the 1970 Trust Indenture, be used and disposed of as follows: (a) the portion representing accrued interest shall be delivered to the Outstanding Issue Trustee for the purposes of Section 1002(a) of the 1970 Trust Indenture; and (b) the entire balance of such proceeds shall be immediately and contemporaneously with the receipt of such proceeds invested in the direct obligations of the United States which have been certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest (provided that such interest shall produce

the highest practicable yield as shall not exceed the adjusted yield on the Refunding Bonds except that the portion of such proceeds which represents less than a major portion thereof as determined in accordance with proposed Section 1.103-13(b)(ii), as set forth in the Federal Register of May 3, 1973, of the regulations under the Internal Revenue Code of 1954, as amended, shall be invested so as to produce the highest practicable yield without respect to the yield on the Refunding Bonds) as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient (together with moneys held by such Trustee and the optional paying agent of the Outstanding Issue, The Oberlin Savings Bank Company, Oberlin, Ohio) for the payment, at their maturity or redemption date, of the principal amount of the Outstanding Issue, together with the redemption premium payable on December 1, 1983 and thereafter (which are called for redemption by Section 6 of this Ordinance) and interest accrued and to accrue to the date of maturity or redemption. Such direct obligations shall be immediately and contemporaneously with the acquisition thereof be delivered to the Outstanding Issue Trustee. The release of the 1970 Trust Indenture by the Outstanding Issue Trustee shall be pursuant to and subject to the applicable provisions of Article Ten of such Indenture. Council hereby finds and determines that such investment is the most advantageous in yield and maturity date for the provision of necessary refunding moneys and to accomplish the maximum feasible savings benefits to the Municipality, taking into consideration the provisions of Section 103(d) of the Internal Revenue Code of 1954, as amended, and regulations thereunder. Such direct obligations of the United States and moneys, if any, in addition thereto shall be held by such Outstanding Issue Trustee, in trust for and irrevocably committed to the payment of the aforesaid principal, interest and redemption premium of the Outstanding Issue. The Municipality shall also pay to such Trustee of the Outstanding Issue, or provide for the use by it of funds of the Municipality now held in trust with respect to the Outstanding Issue, an amount sufficient to provide for the payment of all fees and charges of such Trustee and the said paying agent due or to become due through the date on which the last of the Outstanding Issue will be retired. Subject to the provisions of Section 1004 of the 1970 Trust Indenture, any unclaimed moneys held by such Outstanding Issue Trustee and paying agent upon the request of the Municipality shall be transferred to the Trustee of the Refunding Bonds and shall be credited to such special fund or funds referred to in Section 8 of the Ordinance as may be designated by the Fiscal Officer at the time of such request.

If the balance of the proceeds of the Refunding Bonds referred to in clause (b) of this section should exceed the amount required for the acquisition of the necessary amount of the aforesaid direct obligations of the United States, the balance not so required for such purpose shall be transferred to the Rental Reserve Fund provided for in Section 7 of this Ordinance.

The Municipality hereby covenants that it will restrict, and take such actions as are reasonably necessary to require the Outstanding Issue Trustee to restrict, the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for such bonds so that the Refunding Bonds will not constitute arbitrage bonds under Section 103(d) of the Internal Revenue Code and the regulations prescribed under that section. The fiscal officer or any other officer, including the Clerk of this Council, having responsibility with respect to the issuance of the Refunding Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, or consultant of the Municipality, or the Outstanding Issue Trustee, 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 regarding the amount and use of the proceeds of the Refunding Bonds pursuant to said Section 103(d) and regulations thereunder. The Clerk of this Council shall furnish to the purchaser of the Refunding Bonds a true transcript of the proceedings, certified by him, of all proceedings had with reference to the issuance of such bonds along with such other information from the records as is necessary to determine the regularity and validity of the issuance of such bonds.

Section 6. Redemption of Outstanding Bonds. All bonds of the Outstanding Issue maturing on and after December 1, 1984, are hereby called for redemption on December 1, 1983; and the Municipality hereby covenants with the Outstanding Issue Trustee and the Trustee and with the holders of the Outstanding Issue and of the Refunding Bonds, that it will at no time hereafter modify or rescind such call for redemption, that it will take and will cause the Outstanding Issue Trustee to take all further steps required by the terms of the Outstanding Issue to perfect such call, and that it will provide from the proceeds of the Refunding Bonds, moneys and securities sufficient to pay in full all principal, premium and interest which will be due and payable on December 1, 1983, on the Outstanding Issue so called and, also, to pay the principal of and interest on the non-callable bonds of the Outstanding Issue as they come due.

Section 7. Revenue Fund and Application Thereof; Special Funds. So long as any Bond secured by the Indenture remains outstanding, all Pledged Revenues shall be deposited as follows:

A. If the Municipality shall have leased or contracted for the operation of the Hospital as permitted by law the Pledged Revenues shall be paid directly to the Trustee and deposited in the Debt Service



Fund and Rental Reserve Fund, which are hereby established as trust funds in the custody of the Trustee, and which shall be separate deposit accounts separate and distinct from all other funds of the Municipality and its lessee or contractee. Out of said Pledged Revenues the following payments only shall be made and in the following order, to wit:

- First: Into the Debt Service Fund, on or prior to the twentieth calendar day of each month, commencing with the month of December, 1973, (i) the equal monthly sum necessary to pay the interest falling due on the Bonds on the next ensuing interest payment date; and, commencing with the month of December, 1973, (ii) the equal monthly sum necessary to pay the principal of the Bonds falling due on the next ensuing December 1st whether such retirement be at maturity or by mandatory sinking fund redemption.
- Second: Into the Rental Reserve Fund, on the date of delivery of the Refunding Bonds, the Municipality shall cause to be deposited Eligible Investments aggregating in face amount not less than \$350,000 and, if necessary, duly assigned or transferred to the Trustee, or such amount of money as may be necessary together with such Eligible Investments valued at their face value to establish a balance in such Rental Reserve Fund on such delivery date of \$350,000. Such balance of \$350,000 shall be maintained in such Rental Reserve Fund until December 10, 1993. If at any time prior to such date the balance in such fund is less than \$350,000, the sum of \$4,900 shall be paid into such fund on and prior to the twentieth calendar day of each month beginning with the month following the month in which such balance is less than \$350,000 which sum shall be paid in for so long and resumed so often and to the extent only as may be necessary to create and thereafter maintain until December 10, 1993 a balance of \$350,000 in said Rental Reserve Fund. On December 10, 1993 the Trustee shall transfer from the Rental Reserve Fund to the Debt Service Fund the balance in such fund (and thereafter as and if received any other funds deposited in the Rental Reserve Fund) for the purpose of the payment of principal of the Refunding Bonds falling due on December 1, 1994; and, beginning on December 20, 1993 the monthly sum

payable from the Pledged Revenues to the Debt Service Fund with respect to the principal of the Refunding Bonds falling due on December 1, 1994 shall be the equal monthly amount necessary to pay the difference between such principal amount and the amount so transferred to the Debt Service Fund.

Third: Monthly on or prior to the twentieth calendar day of each month, such sum in addition to any of the foregoing allocations as may be necessary and available, after meeting the requirements of the preceding paragraphs First and Second, to make up any previous deficiency in any such monthly allocation.

B. If the Municipality shall be operating the Hospital, into the Hospital Revenue Fund hereby established, which Fund shall be maintained in the name of the Municipality, in a bank deposit separate and distinct from all other funds of the Municipality. Out of said Fund, after reserving therein at all times an adequate sum as working capital for the Hospital, the following payments only shall be made and in the following order, to wit:

First: All reasonable and proper expenses of operating and maintaining the Hospital and all appurtenances thereto, but to exclude depreciation and capital replacements.

Second: Into the Debt Service Fund, on or prior to the twentieth calendar day of each month, commencing with the month of December, 1973, or the twentieth calendar day of the month in which the Municipality shall commence operating the Hospital, if such operation by the Municipality commences after such date, (i) the equal monthly sum necessary to pay the interest falling due on the Bonds on the next ensuing interest payment date; and, commencing with the month of December, 1973, or the twentieth calendar day of the month in which the Municipality shall commence operating the Hospital, if such operation by the Municipality commences after such date, (ii) the equal monthly sum necessary to pay the principal of the Bonds falling due on the next ensuing December 1st whether such retirement be at maturity or by mandatory sinking fund redemption.

Third: Into the Debt Service Reserve Fund, on the date of delivery of the Refunding Bonds, the Municipality shall cause to be deposited Eligible Investments aggregating in face amount not less than \$350,000 and, if necessary, duly assigned or transferred to the Trustee, or such amount of money as may be necessary together with such Eligible Investments valued at their face value to establish a balance in such Debt Service Reserve Fund on such delivery date of \$350,000. Such balance of \$350,000 shall be maintained in such Debt Service Reserve Fund until December 10, 1993. If at any time prior to such date the balance in such fund is less than \$350,000, the sum of \$4,900 shall be paid into such

fund on and prior to the twentieth calendar day of each month beginning with the month following the month in which such balance is less than \$350,000 which sum shall be paid in for so long and resumed so often and to the extent only as may be necessary to create and thereafter maintain until December 10, 1993 a balance of \$350,000 in said Debt Service Reserve Fund. On December 10, 1993 the Trustee shall transfer from the Debt Service Reserve Fund to the Debt Service Fund the balance in such fund (and thereafter as and if received any other funds deposited in the Debt Service Reserve Fund) for the purpose of the payment of principal of the Refunding Bonds falling due on December 1, 1994; and, beginning on December 20, 1993 the monthly sum payable from the Hospital Revenue Fund to the Debt Service Fund with respect to the principal of the Refunding Bonds falling due on December 1, 1994 shall be the equal monthly amount necessary to pay the difference between such principal amount and the amount so transferred to the Debt Service Fund.

- Fourth: Monthly, as aforesaid, beginning on the twentieth day of the month next following the month in which the balance in the Debt Service Reserve Fund is at least equal to the maximum amount required by the preceding paragraph Third to be maintained therein, into the Replacement and Improvement Fund, after making the payments required by paragraphs First to Third, inclusive, a sum at least equal to 30% of the amount payable on such deposit date into the Debt Service Fund under paragraph Second hereof, which sums shall be paid in for so long and resumed so often and to extent only as may be necessary to create and thereafter maintain a balance in said Fund of \$175,000; provided that in any month in which payments are required to be resumed for deposit to the Debt Service Reserve Fund under paragraph Third the sum to be deposited in such month in the Replacement and Improvement Fund shall be an amount equal to 30% of the amount payable on the deposit date for such month into the Debt Service Fund minus the amount payable on such deposit date into the Debt Service Reserve Fund.
- Fifth: Monthly, as aforesaid, such sum in addition to any of the foregoing allocations as may be necessary and available, after meeting the requirements of the preceding paragraphs First to Fourth, inclusive, to make up any previous deficiency in such monthly allocation.
- Sixth: Annually on January 20 beginning January 20, 1975, the revenues available in the Hospital Revenue Fund at the end of the preceding calendar year, after first making the payments required by paragraphs First to Fifth hereof, and after reserving therein an amount sufficient to provide necessary accruals against the current year's requirements of paragraphs First to Fourth, inclusive, shall be transferred to a fund designated "Surplus Fund."

Section 8. Special Funds and Use Thereof. The Debt Service Fund, Rental Reserve Fund, Debt Service Fund, Contingency Reserve Fund, and Replacement and Improvement Fund shall be maintained in the custody of the Trustee as trust funds. The Rental Reserve Fund has also been created under Section 2 of the First Supplemental Lease and ordered maintained as a separate trust account in the custody of the Trustee which is hereby pledged to and shall be used solely for the purpose of paying to the Trustee the amounts required to be paid for deposit to the Debt Service Fund pursuant to Section 7A First, to the extent the payments of Pledged Revenues by the Lessee are insufficient as the same become due and payable. In the event of Lessee's failure to make the aforesaid payments to the Debt Service Fund, the Trustee may withdraw and transfer from time to time such amounts as may be necessary to make up any deficiencies in such payments from the Rental Reserve Fund for payment to the Debt Service Fund, and for such purpose may liquidate any of the investments held in the Rental Reserve Fund as it may in its sole discretion select, all of which such actions may be taken without necessity for prior consent or approval of the Municipality or the Lessee. The Contingency Reserve Fund shall be funded in accordance with the provisions of subparagraph E of this Section.

A. The Debt Service, Rental Reserve, and Debt Service Reserve Funds shall be used solely for the payment of the principal of and interest on the Bonds, and to the extent provided in this Ordinance, for the redemption of Bonds including any premium thereon. Until required for such purposes, moneys in the Debt Service Fund shall be invested in direct obligations of the United States or in certificates of deposit or savings deposits of banks or trust companies, including the Trustee, organized under the laws of the United States or any state thereof, which have combined capital and surplus of at least \$25,000,000 in dollars of the United States of America, provided that such certificates of deposit or savings deposits shall be insured by the Federal Deposit Insurance Corporation of the United States of America, designated by the Fiscal Officer and maturing, or redeemable by the holder, not later than the next interest payment date as to moneys held for interest and not later than the principal payment or redemption date as to moneys held for retirement of principal. Until required for the purposes for which held, moneys in the Rental Reserve Fund and Debt Service Reserve Fund shall be invested in such Eligible Investments as may be designated by the Fiscal Officer. Investments in the Debt Service Fund, Rental Reserve Fund and Debt Service Reserve Fund may, when and as directed by the Fiscal Officer of the Municipality, be sold, surrendered, exchanged or otherwise disposed of, and, in computing the amount of each such Fund, the investments therein shall be valued at cost or current market value whichever is lower. If at any time the Municipality shall provide the Trustee with moneys sufficient, together with moneys and investments then in the Debt Service Fund, Rental Reserve Fund and Debt Service Reserve Fund, to retire on the next available redemption date any outstanding Bonds, without thereby reducing the balance thereafter remaining in the Debt Service Fund, Rental Reserve Fund and Debt Service Reserve Fund below the amount which on such call date would be required by Section 7 to be on hand therein with respect to Bonds not so to be retired, the Trustee shall make available out of the Debt Service Reserve Fund, Rental Reserve Fund and Debt Service Reserve Fund the amount required, together with the other moneys provided, to accomplish such retirement.

B. The Replacement and Improvement Fund shall, to the extent necessary, from time to time, be transferred to the Debt Service Fund without draw-

ing on the Debt Service Reserve Fund and, otherwise, shall be used solely to replace obsolete or worn-out equipment or furnishings, or to make extraordinary repairs to or improvements, extensions or enlargements of the Hospital, or for the retirement of Bonds by call or purchase for retirement. Until required for such purposes, moneys in the Replacement and Improvement Fund shall be invested in such Eligible Investments maturing, or redeemable by the holder, in not more than five years from the date of investment, as may be designated by the Fiscal Officer. The moneys deposited in the Replacement and Improvement Fund shall be paid out from time to time for the purposes aforesaid on order of the officer of the Municipality then operating the hospital.

C(1). The Contingency Reserve Fund shall (i) to the extent necessary from time to time, be transferred to the Debt Service Fund to meet payments of principal of and interest and any premium due, whether at maturity or by redemption, and to the Rental Reserve Fund to meet any deficiency therein and (ii), otherwise, shall be used solely at the direction of the Municipality's then lessee or other operator of the Hospital in connection with the Hospital for the purchase of land, purchase or construction of new, or additions to, buildings or the purchase or erection of capital equipment located on the site of the Hospital; modernization or permanent improvement of existing buildings located on the site of the Hospital; or for improvement to the land which is the site of the Hospital or to capital equipment located on such site; (iii) provided that notwithstanding the foregoing provisions of clause (ii) if the Municipality hereafter issues unvoted general obligation bonds, or notes in anticipation thereof, to pay costs of improvements, extensions or enlargements of the Hospital, the Fiscal Officer of the Municipality shall certify to the Trustee a copy of the ordinance authorizing such bonds or notes and on the 15th day of January of each year a schedule showing the amount of principal and interest payable by the Municipality in the then current calendar year on such notes or bonds and the due dates thereof and the Trustee, prior to making disbursements to the Municipality's then lessee or other operator of the Hospital as provided in the next succeeding paragraph, shall reserve in the Contingency Reserve Fund an amount sufficient to pay the Municipality in the then current calendar year on or prior to the due dates for the payment of principal and interest on such general obligation bonds or notes the amounts due on such dates and such amounts shall be paid to the Municipality from the Contingency Reserve Fund to the extent permitted by the balance in such Fund.

C(2). Subject to the provisions of clause (iii) of subparagraph C(1) of this Section and subparagraph E of this Section, moneys transferred to the Contingency Reserve Fund pursuant to subparagraph E of this Section, together with the interest earned thereon, may be withdrawn from such Fund on the second day of December of the calendar year in which such moneys were so transferred for the purposes set forth in clause (ii) of subparagraph C(1) of this Section at the sole option and direction of the Municipality's then lessee or other operator of the Hospital if there then exists no default in any of the payments required under paragraphs First and Second of Section 7A of this Ordinance, and all principal of the Bonds to be retired in the then current calendar year, whether at maturity or by redemption, shall have been retired or provision made therefor by retention in the Contingency

Reserve Fund of a sufficient amount for such purpose or otherwise. The Municipality's then lessee or other operator of the Hospital shall designate to the Trustee one or more officers or employees of it, any one of whom shall execute any order directing the use of the moneys from the Contingency Reserve Fund pursuant to paragraph C of this Section.

C(3). Except as otherwise in this paragraph provided, until required for the purposes for which held, moneys in the Contingency Reserve Fund may be invested by the Trustee in such Eligible Investments as may be designated by the Fiscal Officer.

D. The Surplus Fund shall be in the custody of the Municipality and shall, to the extent necessary, from time to time, be transferred to the Debt Service Fund to permit the payment of all obligations payable from such Debt Service Fund without drawing upon the Replacement and Improvement Fund or Debt Service Reserve Fund, and otherwise may be used for any other lawful municipal hospital purpose, including without implied limitation, the retirement of outstanding Bonds by call or by purchase for cancellation, and payment of debt service requirements on, or the call or purchase price of, general obligation notes and bonds hereafter issued for improvements to the Hospital. Until required for such purposes, moneys in the Surplus Fund may be invested in Eligible Investments, maturing or redeemable by the holder, in not more than five years from date of investment.

E. On each January 15, interest earned on deposits or investments of the Debt Service Fund, Rental Reserve Fund and the Debt Service Reserve Fund during the preceding calendar year shall be transferred to the Contingency Reserve Fund, if the Municipality shall have leased or contracted for operation of the Hospital, or, if the Municipality shall be operating the Hospital, to the Surplus Fund, provided that such transfer shall be made only if there exists no default in any of the payments required to be made to the Debt Service Fund, Rental Reserve Fund and the Debt Service Reserve Fund may be withdrawn therefrom as provided in Section 8C of this Ordinance on the second day of December of the calendar year in which such moneys were so transferred.

F. Any Bonds purchased for cancellation shall be purchased at a price not exceeding their fair market value or their then prevailing call price, or if not callable, then the price at which the Bonds are first callable.

G. Interest on any moneys or investments in each Fund shall be credited to such Fund, but shall be subject to transfer as provided in Section 8E of this Ordinance.

Section 9. Eligible Investments of Certain Special Funds. Eligible Investments shall include any of the following: (i) any bonds or other obligations of the United States of America which as to principal and interest constitute direct obligations of or are guaranteed by the United States of America, (ii) obligations of the Federal National Mortgage Association

or the Government National Mortgage Association, (iii) obligations of the Federal Intermediate Credit Banks, (iv) obligations of Federal Banks for Cooperative, (v) obligations of Federal Land Banks, (vi) tax supported obligations of the State of Ohio, (vii) certificates of deposit of banks or trust companies, including the Trustee, organized under the laws of Canada or the United States of America or any province or state thereof, which have combined capital and surplus of at least \$25,000,000 in dollars of the United States of America, or certificates of deposit of any bank or trust company having its principal office in the State of Ohio which pledges security for the moneys invested in such certificates of deposit of the same type and in the same amount as if the moneys so invested had been deposited as interim or inactive funds of an Ohio political subdivision pursuant to Chapter 135 of the Ohio Revised Code; provided that any such investment or deposit by the Municipality is not prohibited by law.

Section 10. Outstanding Issue Special Funds. The balance in the Debt Service Fund established by Section 6 of the Original Ordinance, except accrued interest, shall be retained by the Outstanding Issue Trustee for purposes of Section 1002 of the 1970 Trust Indenture.

To implement the provisions of Section 7 of this Ordinance with respect to the initial funding of the Rental Reserve Fund on the date of delivery of the Refunding Bonds, the Outstanding Issue Trustee is hereby directed to transfer or cause to be transferred to the Trustee from the Debt Service Reserve and Contingency Reserve Funds provided for in Section 6 of the Original Ordinance, Eligible Investments aggregating in face not less than \$350,000 and, if necessary, duly assigned or transferred to the Trustee, or such amount of money as may be necessary together with Eligible Investments valued at their face value to establish a balance in such Debt Service Reserve Fund on the delivery date of the Refunding Bonds of \$350,000. In the event the amount available for transfer by the Outstanding Issue Trustee is less than \$350,000, the amount which is the difference between the sum of the amount so transferred plus the amount, if any, transferred to the Rental Reserve Fund pursuant to the second paragraph of Section 5 of this Ordinance, and \$350,000 will, pursuant to the First Supplemental Lease, on such delivery date be delivered to the Trustee by the Lesse.

Any interest accrued to the Debt Service, Debt Service Reserve and Contingency Reserve Funds provided for in Section 6 of the Original Ordinance and any balance in such Debt Service Reserve Fund and Contingency Reserve Fund in excess of \$350,000 shall, as directed by the Fiscal Officer of the Municipality, be (i) retained by the Outstanding Issue Trustee to the extent necessary to provide for the payment of the fees and charges of such Trustee and the optional paying agent of the Outstanding Issue due or to become due through the date on which the last of the Outstanding Issue will be retired, or (ii) retained by the Outstanding Issue Trustee for the purposes of Section 1002(a) of the 1970 Trust Indenture, or (iii) transferred to the Contingency Reserve Fund provided for in Section 8 of this Ordinance and for purposes of Section 8C(2) such transfer shall be deemed to have occurred on the January 15th of the calendar year following such transfer, or (iv) any combination of the foregoing and in whatever amounts as may be determined by such Fiscal Officer.

Section 11. Additional Bonds. The Municipality shall have the right from time to time to issue Additional Bonds for the purpose only of (1) making additions, enlargements, replacements, extensions and improvements to and acquiring new equipment for, the Hospital, or (ii) refunding for any lawful purpose any outstanding Bonds where such refunding will not adversely affect the exemption from federal income taxation of the outstanding Bonds, which Additional Bonds shall be payable from the special funds established in Section 7 of this Ordinance and shall be secured by a lien upon the Pledged Revenues on a parity with the other Bonds then outstanding.

As used in this Section the following phrases shall have the meanings as set forth below:

"Annual Requirements" means one-half of the aggregate maximum amount required to be paid into the Debt Service Fund in the two complete fiscal years of the operator of the Hospital immediately preceding the date of the issuance of Additional Bonds for the payment of principal of (whether at maturity or by mandatory sinking fund retirement) and any premium and interest on the Bonds including any then outstanding Additional Bonds.

"Bond Legislation" shall mean this legislation, and when used in connection with Additional Bonds or to relate to Bonds when Additional Bonds are outstanding, shall mean or include, as the case may be, the legislation providing for the issuance of such Additional Bonds but only to the extent consistent with this Bond Legislation, all as the same may be amended, modified or supplemented by any amendments or modifications thereof and supplements thereto entered into in accordance with the provisions of the Indenture.

"Debt Service Coverage" shall mean that Net Annual Income is 150% of Annual Requirements and Projected Annual Income is 135% of Projected Annual Requirements.

"Net Annual Income" means one-half of the difference resulting by subtracting from the aggregate gross income received by the operator of the hospital from the operation of the Hospital as it then exists, during the two complete fiscal years of the operator immediately preceding the date of the issuance of the Additional Bonds, the aggregate current expenses of the Hospital as it then exists, during such two years excluding from such current expenses payments made for interest on the Bonds including any then outstanding Additional Bonds, any allowance for depreciation, moneys expended for improvements having a life usefulness estimated to be in excess of five years, payments made for Annual Requirements and other payments required to be made by the Indenture or any supplements thereto into the Rental Reserve Fund, Debt Service Reserve Fund, Replacement and Improvement Fund, and Surplus Fund.

"Projected Annual Income" means one-half of the difference resulting by subtracting from the aggregate gross income to be received by the operator from the operation of the Hospital during two complete fiscal years



of the operator immediately following the completion of the construction, acquisition or installation to be financed from the proceeds of the Additional Bonds proposed to be issued, the aggregate current expenses of operating the Hospital during such two years, excluding from such current expenses payments to be made for interest on the Bonds including the Additional Bonds theretofore issued and to be issued, any allowance for depreciation, moneys to be expended for improvements having a life usefulness estimated to be in excess of five years, payments made for the Projected Annual Requirements and other payments required to be made by the Indenture or any supplement thereto into the Rental Reserve Fund, Debt Service Reserve Fund, Replacement and Improvement Fund or Surplus Fund.

"Projected Annual Requirements" shall mean, after first excluding from such requirements any amount to be deposited in the Rental Reserve Fund, Debt Service Reserve Fund, Replacement and Improvement Fund or the Surplus Fund and which is contemplated by the Bond Legislation to be used for the retirement of principal which by its stated terms falls due in one or more specified years, the aggregate maximum amount required to be paid into the Debt Service Fund in any fiscal year of the operator of the Hospital following the projected date for the issuance of the proposed Additional Bonds for the payment of principal of (whether at maturity or by mandatory sinking fund retirement) and any premium and interest on the Bonds including any then outstanding Additional Bonds and the Additional Bonds proposed to be issued.

Before the Trustee shall authenticate any Additional Bonds or execute any supplemental indenture securing Additional Bonds, it shall have received from the Municipality and without cost to the Trustee the following:

(a) A written financial feasibility study of an independent certified public accountant, or firm of accountants, experienced in hospital finance, of national reputation and acceptable to the Trustee, evidencing that Debt Service Coverage has been and is projected to be met.

(b) The certificate of an independent architect or architectural firm having a reputation for skill and experience in the design and construction of hospitals and related appurtenant facilities acceptable to the Trustee, stating (i) that the facilities proposed to be financed with the proceeds derived from the sale of the Additional Bonds with respect to which such certificate is made are estimated to have a life usefulness in excess of five years and will be useful in the operation of the Hospital; (ii) the estimate of the actual cost of such facilities; and (iii) that such cost will represent the reasonable value of such facilities; provided that such certificate shall not be required when the Additional Bonds are being issued only for the purpose of refunding any outstanding Bonds.

(c) An executed counterpart of a supplemental indenture, duly executed by the Municipality, providing for the terms, conditions and limitations of the Additional Bonds proposed to be issued including the pledge of Pledged Revenues sufficient to pay the principal thereof and any premium and interest thereon, any additional premiums on insurance and fidelity bonds required for the proposed new facilities and any additional personnel

to operate such new facilities; the payment into the Rental Reserve Fund or Debt Service Reserve Fund in each month following completion of the construction, acquisition or installation to be financed from the Additional Bonds of amounts sufficient to make the amount on deposit in the Rental Reserve Fund or Debt Service Reserve Fund in not later than the 72nd month following such completion equal to the maximum amount required to be paid into the Debt Service Fund in any one calendar year for payment of principal of (whether at maturity or by mandatory sinking fund retirement) and any premium and interest on all outstanding Bonds including Additional Bonds.

(d) A certified copy of proceedings by the Council of the Municipality approving and authorizing the construction, acquisition or installation of the proposed facilities, the issuance and sale of the proposed Additional Bonds and fixing the selling price thereof, approving and authorizing the execution of a supplemental lease if the Project be then leased, and of the supplemental indenture and taking any other action required in connection with the proposed new facilities and the proposed Additional Bonds.

(e) If the Project be then leased or operated by other than the Municipality, a certified copy of proceedings of the then operator of the Hospital approving and authorizing the execution of the supplemental lease and taking any other action required in connection with the proposed new facilities and the proposed Additional Bonds.

(f) The written opinion of an attorney licensed to practice law in the State of Ohio, expressing the conclusion that upon payment of the purchase price and acceptance of any instruments of conveyance, creation or transfer the Municipality will have good and marketable title to the additional lands or interest therein, if any, to be acquired from the proceeds of the Additional Bonds or which are the site of the facilities to be acquired or constructed from the Additional Bonds, free and clear of liens and encumbrances except for Permitted Liens and Encumbrances. In lieu of such opinion, there may be filed a standard form of title insurance policy, or binders therefor, running in favor of the Trustee and evidencing that the Municipality has acquired such title, in a face amount equal to the cost of acquisition of such lands or interests therein, if any, or equal to reasonable valuation thereof as estimated by the Municipality, if acquired by the Municipality without cost or at nominal cost.

(g) A request and authorization to the Trustee on behalf of the Municipality signed by its Executive or its Fiscal Officer, to authenticate and deliver the Additional Bonds to, or on the order of, the purchaser thereof who is therein identified, upon payment to the Trustee for the account of the Municipality of a sum specified in such request and authorization plus accrued interest, both of which shall be deposited as provided in the supplemental indenture executed in connection with the issuance of such Additional Bonds.

(h) The written opinion of counsel for the Municipality, who may be bond counsel, to the effect that the issuance of the Additional Bonds has been duly authorized and that all conditions precedent to their delivery have been fulfilled.

(i) The opinion of nationally recognized bond counsel that the Additional Bonds proposed to be issued are permitted by the Indenture and have been duly authorized, and will, when delivered and paid for, be the valid and binding special obligations of the Municipality.

(j) In the case of Additional Bonds to be issued for the purpose of refunding any outstanding Bonds, evidence satisfactory to the Trustee (i) that provision has been made to assure that moneys sufficient to retire the Bonds to be refunded will be available in the possession of the Trustee at the time provided for retirement thereof under the plan for refunding and are committed to such purpose, and (ii) that moneys sufficient to pay interest accrued and principal and premium, if any, payable on such Additional Bonds prior to such retirement of the Bonds to be refunded thereby, have been deposited in the Debt Service Fund without impairment of any provision or covenant of the Indenture, and from sources other than from the operation of the Hospital and other than the Rental Reserve Fund, Debt Service Fund, Replacement and Improvement Fund or Surplus Fund, except to the extent of any moneys in such account or fund in excess of the balance required to be maintained therein under the provisions of the Indenture (the transfer of excess moneys for such purposes is hereby authorized), or will be deposited directly in such special fund from appropriate portions of the proceeds from the sale of such Additional Bonds.

In making the calculation for purposes of the study of the independent certified public accountant or firm of accountants provided for in paragraph (a) above, in the case of Additional Bonds for refunding any outstanding Bonds, payments into the Debt Service Fund on account of interest, premium and principal requirements of such Additional Bonds shall be used in lieu of and to the exclusion of such payments on account of interest, premium and principal requirements of the Bonds being refunded thereby.

To the extent that the amount of deposits required to be made under the Indenture are to be determined on the basis of the principal amount of principal and interest requirements of Bonds outstanding, in determining the amounts of such deposits made or to be made while there remain outstanding Bonds for the refunding of which the Additional Bonds have been issued, the principal amount and principal and interest requirements of such Additional Bonds shall be disregarded.

Upon receipt of the documents required by the foregoing provisions of this Section to be furnished to it, the Trustee shall thereupon authenticate the Additional Bonds proposed to be issued. When so authenticated, the Trustee shall deliver the Additional Bonds with all unmatured coupons thereunto attached upon the order of the Issuer to the original purchaser thereof, upon the payment therefor by such original purchaser to the Municipality of the purchase price therefor. The receipt of the Municipality shall be full acquittal to the original purchaser for the purchase price of the Additional Bonds, and such purchaser or purchasers shall be under no obligations to see to the application thereof. The proceeds of the sale of any of the Additional Bonds shall, however, be held in trust and, except for Additional Bonds issued for the purpose of refunding of outstanding Bonds, disposed of only for the payment of the expenses of the issuance

thereof, the payment of interest thereon during the construction, acquisition or installation of the proposed new facilities and the balance paid into the Construction Fund to be disbursed for the cost of acquiring, constructing or installing the proposed new facilities as provided in the Indenture. The proceeds of Additional Bonds issued for the purpose of refunding outstanding Bonds shall be disposed of as provided in the supplemental indenture executed in connection with the issuance of such Additional Bonds and applied in the manner provided in the evidence submitted to the Trustee pursuant to paragraph (j) above.

Section 12. Terms of the Bonds Generally -- The Bonds shall be designated as set forth in the preambles to this Ordinance, shall be payable in lawful money of the United States, shall be in coupon form but with privilege of registration as to principal or in fully registered form as provided in the Ordinance authorizing such Bonds or in the Indenture, shall be negotiable instruments, shall express upon their face the purpose for which they are issued, shall be issued pursuant to Article XVIII, Section 3 of the Constitution of the State of Ohio, and Chapter 140 of the Ohio Revised Code, and shall be signed by the Executive and by the Fiscal Officer of the Municipality and sealed with the corporate seal or shall be signed and sealed in such manner as may be required in such Ordinance or by law or charter provision (if any) applicable at the time of issuance of the respective Bonds. Interest coupons attached to the Bonds shall bear the facsimile signature of the Fiscal Officer or such other facsimile or manual signature as shall be required by such Ordinance or by law or charter provision (if any) applicable at the time of issuance of the respective Bonds. The Additional Bonds shall bear such designation as may be necessary to distinguish them from the Refunding Bonds or other Additional Bonds having different provisions and shall have maturities, interest rates, interest payment dates, redemption provisions, denominations and other provisions as provided in this Ordinance or in the ordinances hereafter adopted providing for issuance of the Additional Bonds, provided, however, that such terms and provisions shall not be inconsistent with this Ordinance, the Indenture or the then outstanding Bonds.

Additional Bonds shall not be redeemable earlier than the first redemption date for the Refunding Bonds.

The Bonds shall be payable solely from the Pledged Revenues and shall be secured only, but equally and ratably without priority of one over another by reason of number or of date, sale, execution or delivery, by a lien upon and pledge of said Pledged Revenues. Anything in the Indenture, in this Ordinance or in the Bonds to the contrary notwithstanding, neither the general resources of the Municipality shall be required to be used, nor the general credit of the Municipality pledged for the performance of any duty under the Indenture, this Ordinance or the Bonds, but any payment to be made under the Indenture, this Ordinance or the Bonds shall be made only from the Pledged Revenues; provided, however, that, if otherwise lawful, nothing herein shall be deemed to prohibit the Municipality from using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of the Indenture, this Ordinance or the Bonds.

Section 13. Rate Covenant of Municipality. -- The Municipality, by the issuance of the Refunding Bonds, shall covenant with the holders of the Bonds and the Trustee that, within its power so to do, it will at all times prescribe and charge such rates for the services rendered by the Hospital to the users thereof or will provide by lease or contract with others for the charging of such Hospital rates and payment to the Municipality of such payments, rentals or other considerations for the use and operation of the Hospital and will so restrict the expenditure of the Municipality for the operation and maintenance of the Hospital, as shall result in Hospital revenues at least adequate, after meeting such operation and maintenance expenses of the Municipality above provided, to provide for (i) the payments provided by this Ordinance to be made into the Debt Service Fund, Rental Reserve Fund, Debt Service Reserve Fund, or other Special Funds and (ii) sufficient earnings coverage to permit the issuance of Additional Bonds required for the construction or acquisition of necessary or advisable replacements, extensions, improvements, additions, and equipment.

Section 14. The Indenture. In order to secure the payment of the principal of and interest on the Bonds as the same shall become due and payable, the Executive and the Fiscal Officer of the Municipality are hereby authorized and directed in its name and on its behalf to make, execute, acknowledge and deliver to the Trustee, in trust for the purchasers and subsequent holders of the Bonds, a good and sufficient indenture constituting a prior pledge of and lien upon the Pledged Revenues for so long as any of such Bonds shall remain outstanding and unpaid in such form and containing such terms, covenants and conditions not inconsistent with this Ordinance as shall be approved by the Original Purchaser of the Bonds and by the Legal Officer of the Municipality.

Provision shall be made therein that, (1) in case the Municipality shall be in default in the payment of any Bonds or interest thereon, when and as the same shall become due and payable, whether at maturity, by acceleration or call for redemption, or (2) fail to make when due any payment required by this Ordinance, the Bonds, or the Indenture, or in any supplemental indenture or in any other legislation authorizing the same, other than the payment of principal of or interest on the Bonds, which failure shall have continued for a period of 30 days, (3) or fail to perform or observe duly and punctually any other covenant, condition or agreement to be performed or observed by the Issuer and contained in this Ordinance, in the Bonds, or in the Indenture, or in any supplemental indenture or in any other legislation authorizing the same, which failure shall have continued for a period of sixty (60) days after written notice to the Issuer given by the Trustee or the holders of at least ten per cent in principal amount of the Bonds then outstanding, the Trustee may elect to, and upon request of the owners or holders of 10 per cent in amount of the outstanding Bonds shall, declare the entire amount of outstanding Bonds due and payable, and proceed to enforce the Indenture, but such provision shall be subject to the condition that, if at any time within six months after the principal of said Bonds shall have been so declared due and payable, all sums payable under the Indenture, except the principal of Bonds thereby secured which have not reached their

maturity dates, shall have been duly paid and all existing defaults have been made good, then and in every such case such payment shall constitute a waiver of such default and its consequences and an automatic rescission and annulment of such declaration; but no such waiver shall extend to or affect any subsequent default nor impair any rights consequent thereon.

The Indenture shall contain covenants and provisions as to remedies of the Trustee and bondholders; and shall provide for the appointment of a receiver with powers customary in general equity cases to operate the Hospital, and to apply the revenues thereof to the payment of the Bonds and interest thereon, in accordance with this ordinance, the Bonds, and the Indenture, in event of litigation involving the operation or administration of the Hospital or default by the Municipality in performance of the terms and conditions of this ordinance, the Bonds, or the Indenture. The Indenture shall also contain provisions granting to the Trustee, in the event of a default by the Municipality in the performance of the terms and conditions of this ordinance, the Bonds, or the Indenture, the right, with or without declaring the Bonds due and payable, to enter upon and take possession of the Hospital and operate or lease the same in the name of and as the agent of the Issuer.

The Indenture shall contain covenants by the Municipality that:

- (a) It will segregate the Pledged Revenues from all other municipal funds, will keep or cause to be kept proper books and records in such a manner as to show the complete financial results of the operation of the Hospital, the Revenues and operation and maintenance expenses thereof, all capital expenditures for replacements or betterments thereto and the amounts deposited under Section 7 hereof; and will furnish, or cause to be furnished, to the Trustee and to the Original Purchaser of the Refunding Bonds monthly reports covering the operations and income of the Hospital and an annual report of the books, accounts and operations thereof audited and certified by certified public accountants.
- (b) It will permit or cause to be permitted the authorized representative of the Trustee, of the Original Purchaser of the Refunding Bonds or of any holder or holders of ten per centum in amount of any series of Bonds at the time outstanding to inspect the Hospital and all records, accounts and data relating thereto at all reasonable times.
- (c) It will operate, or cause to be operated, the Hospital in a lawful, efficient and economical manner and maintain, or cause to be maintained, the same in a good state of repair and operating efficiency.
- (d) It will acquire and maintain good and marketable title in fee simple to, or good and sufficient leasehold estates in, the Hospital subject to permitted liens and encumbrances as defined in the Indenture.

- (e) It will not sell or otherwise dispose of any portion of the Hospital except upon the conditions provided in the Indenture.
- (f) It will not, except as expressly permitted by this Ordinance create, or suffer to be created, any lien or charge which would constitute a lien prior to, or on a parity with the lien of the Indenture upon the Pledged Revenues or would constitute a lien or encumbrance upon the Hospital other than a permitted lien or encumbrance as defined in the Indenture.
- (g) It will cause the Hospital to be operated pursuant to lease or contract with others experienced in the operation of such Hospital or it will place and keep in charge of the operation of the Hospital a person or persons in its employ having experience in the operation thereof.
- (h) It will not, without consent of two-thirds in principal amount of the outstanding Bonds (excluding Bonds held or owned by the Municipality or any then lessee of the Hospital) extend, or assent to the extension of, the time for payment of any Bonds or coupons.
- (i) It will execute and deliver instruments of further assurance to carry out the purposes of the Indenture, the Bonds and ordinances authorizing the same and will comply with all requirements of law with respect to the Hospital and its operation.
- (j) Other covenants and provisions generally included in indentures securing revenue bonds or as may be necessary for the due protection of the rights and security of the holders of the Bonds.

The Indenture shall contain appropriate provisions whereby the Municipality, by ordinance of its Council and with the written consent of the holders of not less than 66-2/3% in aggregate principal amount of outstanding Bonds (excluding Bonds held or owned by the Municipality), may modify or amend any covenant, condition or provision of the Indenture so long as such action shall not result in changing the redemption provisions or interest and principal maturity dates or reducing the principal amount or interest rate on any Bond without the consent of the holder thereof nor modifying the rights or obligations of the Trustee without its consent, nor reducing the percentage herein specified; provided that the Municipality and the Trustee without the consent of or notice to any of the holders of the bonds may modify or amend any covenant, condition or provision of the Indenture to the extent not inconsistent with the terms and provisions of this Ordinance or the Indenture for any of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Bonds or the Trustee or either of them;
- (c) To subject to the lien and pledge of this Indenture additional revenues;
- (d) To add to the covenants and agreements of the Municipality contained in this Indenture other covenants and agreements thereafter to be observed for the protection of the holders of the Bonds, or to surrender or limit any right, power or authority herein reserved to or conferred upon the Municipality, including the limitation of rights of redemption so that in certain instances Bonds of different series will be redeemed in some prescribed ratio to one another.
- (e) To evidence any succession to the Municipality and the assumption by such successors of the covenants and agreements of the Municipality herein and in Bonds contained; and
- (f) In connection with the issuance of Additional Bonds.

The Indenture shall provide that, until the payment in full of the Bonds and the interest thereon and of all sums required to be paid by the terms of the Indenture, no appointment of a receiver shall affect the duty of the Municipality to cause the Pledged Revenues to be paid to the Trustee for deposit to the Debt Service Fund and the Rental Reserve Fund or to be deposited in the Hospital Revenue Fund, and the application of moneys in said Funds as provided in Section 7 hereof, except as may otherwise be ordered by a court of competent jurisdiction for the protection of the holders of the bonds or the enforcement of their rights.

Section 15. Obligations Enforceable by Mandamus. -- It is hereby declared that the covenants and obligations of the Municipality contained in this Ordinance, in the Indenture and in the Bonds constitute, and are hereby established as, duties specifically enjoined by law resulting from an office, trust or station upon the Municipality and its officials within the meaning of Revised Code Section 2731.01.

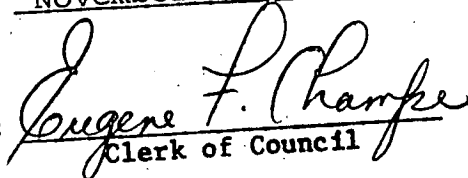
Section 16. Separability Clause. -- Each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision of any section thereof to be invalid or void shall not be deemed nor held to affect the validity of any other section or subdivision of this Ordinance.



Section 17. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of this Municipality, and for the further reason that the present municipal bond market conditions are such that the immediate issuance of the Refunding Bonds is necessary to secure the savings with respect to debt service and reserve fund requirements to be effected thereby; wherefore, this Ordinance shall take effect and be in force immediately upon its passage.

Passed: November 19, 1973

  
Chairman of Council

Attest:   
Clerk of Council

Posted: November 20, 1973