

ORDINANCE NO. 03-10 AC CMS

AN ORDINANCE TO AUTHORIZE A LEASE-PURCHASE AGREEMENT RELATING TO THE ACQUISITION OF MODEL 2110 VACTOR JET-RODDER, AND DECLARING AN EMERGENCY

WHEREAS, pursuant to Ordinance No. 02-105 AC CMS passed November 4, 2002, the City has authorized the acquisition of a Model 2110 Vactor Jet-Rodder for the Oberlin Public Works Department (the "Leased Equipment"); and

WHEREAS, the City has determined to finance that acquisition through a lease-purchase arrangement with a financial institution (the "Lease");

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, that:

Section 1. The City Manager and Auditor are each hereby authorized to negotiate the terms for and to sign and deliver, in the name of and on behalf of the City, the Lease, provided that the aggregate principal components of the Lease payments payable during all Lease terms (the "Principal Obligation") shall not exceed \$212,000, the interest component of the Lease payments shall accrue at an annual rate not in excess of 5.00%, and the final renewal term of the Lease shall end not later than three years from the commencement date of the Lease. The City Manager and Auditor are each further authorized to sign such certifications, financing statements, or other documents or instruments and to take such other actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance and the Lease.

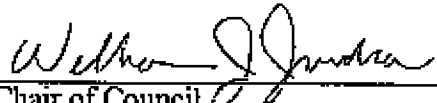
Section 2. The Principal Obligation is hereby designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In that connection, the City hereby covenants that it, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, in the calendar year in which the City enters into the Lease, (i) have not issued and will not issue tax-exempt obligations designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, including the Principal Obligation, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax-exempt obligations (including the Principal Obligation, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the City first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Principal Obligation as "qualified tax-exempt obligations".

Section 3. The City covenants that it will use the Leased Equipment in such manner as may be necessary so that (a) the obligations of the City under the Lease will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code, or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code. The City further covenants that it will take or cause to be taken such actions which may be required of it for the interest components of the Lease payments to be and remain excluded from gross income for federal income tax purposes and that it will not take or authorize to be taken any actions which would adversely affect that exclusion.

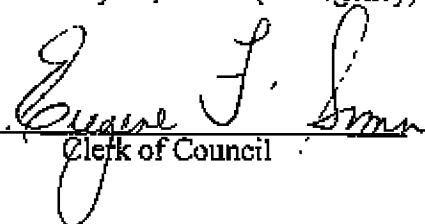
Section 4. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 5. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to provide financing for the Leased Equipment which is needed for the Department of Public Service to provide efficient service to the inhabitants of the City, wherefore this Ordinance shall be in full force and effect immediately upon its passage.

Passed: January 21, 2003 (Emergency)


Chair of Council

Attest:


Clerk of Council

Posted: January 22, 2003