

County Council of Cuyahoga County, Ohio

Resolution No. R2017-0030

<p>Sponsored by: County Executive/Fiscal Officer/Office of Budget and Management</p>	<p>A Resolution authorizing the issuance and sale of one or more series of County revenue bonds, in an aggregate principal amount that will generate net proceeds of \$140,000,000.00, for the purpose of paying or reimbursing the costs of reconstructing, refurbishing, renovating, upgrading, improving and equipping Quicken Loans Arena, together with appurtenances and work incidental thereto, and for the purpose of paying any capitalized interest on the bonds and paying the costs of issuance in connection therewith; authorizing the preparation and use of one or more preliminary official statements and the preparation, execution and use of one or more official statements; approving and authorizing the execution of one or more trust indentures or supplemental trust indentures and one or more continuing disclosure agreements; authorizing other contracts and other actions related to and necessary for the issuance of the bonds; and declaring the necessity that this Resolution become immediately effective.</p>
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WHEREAS, the County, in cooperation with Gateway Economic Development Corporation of Greater Cleveland (“Gateway”), the City of Cleveland, the Cleveland Cavaliers basketball organization and other civic partners, participated in the financing and refinancing the costs of the construction and improvement of the multi-purpose arena now known as Quicken Loans Arena (the “Arena”); and

WHEREAS, Cavaliers Operating Company, LLC, as lessee and operator of the Arena, in cooperation with Gateway and the County, has proposed to undertake alterations and improvements, commonly referred to as the Transformation, of the Arena; and

WHEREAS, this Council has determined that it is necessary and in the best interest of the County for the County to issue one or more series of Sales Tax Revenue Bonds or Nontax Revenue Bonds for the purpose of paying or reimbursing the costs of, reconstructing, refurbishing, renovating, upgrading, improving and equipping the Quicken Loans Arena (the “Project”), together with appurtenances and work incidental thereto, and for the purpose of paying any capitalized interest on the bonds and paying the costs of issuance in connection therewith; and

WHEREAS, this Council has determined that the Series 2017 Arena Bonds shall be issued in an aggregate principal amount that will generate net proceeds of \$140,000,000 for the purposes herein stated and that the County shall secure such bonds as Sales Tax Revenue Bonds or Nontax Revenue Bonds by one or more trust indentures or supplemental trust indentures, as provided herein; and

WHEREAS, the County is authorized pursuant to Section 307.023 of the Ohio Revised Code to acquire, construct, improve, maintain, operate, lease, or otherwise contract for the acquisition or use of sports facilities intended to house major league professional athletic teams, such as the Arena; and

WHEREAS, the County is authorized pursuant to Section 133.15 of the Ohio Revised Code to issue securities of the County for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct.

WHEREAS, the County is authorized and empowered, by virtue of the laws of the State of Ohio, including, without limitation, Section 13 of Article VIII, Ohio Constitution, and Chapter 165 of the Ohio Revised Code (the “Act”), among other things, to issue its revenue bonds for the purpose of financing, by loans or otherwise, “projects” as defined in the Act, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the County and of the State; and

WHEREAS, the County has determined that it is necessary and desirable to issue its Economic Development Revenue Bonds, Series 2017 (Arena Project) (the “Series 2017 Nontax Revenue Arena Bonds”), in one or more series, to create and preserve jobs and employment opportunities, by providing funding for the Project as a project as defined in the Act, to fund any deposit to the Bond Reserve Fund, and to pay certain costs of issuance in connection with Series 2017 Nontax Revenue Bonds, together with any Series 2017 Sales Tax Revenue Arena Bonds it may issue pursuant to this Resolution; and

WHEREAS, pursuant to a resolution adopted July 6, 1987 (the “1987 County Sales Tax Resolution”), the Board of County Commissioners of the County (the “Board”), as the predecessor legislative authority to this Council, authorized the continuing levy and collection of sales and use taxes, authorized

under Sections 5739.021 and 5741.021 of the Ohio Revised Code, at the rate of one percent (1%), and pursuant to a resolution adopted July 26, 2007 (the “2007 County Sales Tax Resolution” and, together with the 1987 County Sales Tax Resolution, the “County Sales Tax Resolutions”), the Board authorized an increase in the sales and use taxes to a rate of one and one-quarter percent (1-1/4%) (the “County Sales Tax”), each for the purpose of providing additional general revenues for the County; and

WHEREAS, the Fiscal Officer has certified that the estimated life of the Project is at least five (5) years, and that the estimated maximum maturity of the bonds described in Section 2 is at least twenty (20) years; and

WHEREAS, the Fiscal Officer has further certified to this Council that the maximum aggregate amount of Sales Tax Revenue Bonds, including the Series 2017 Sales Tax Revenue Arena Bonds, that will be outstanding at any time will not exceed an amount which requires or is estimated by him, as Fiscal Officer, to require payments from sales tax receipts of debt charges on the Sales Tax Revenue Bonds, including the Series 2017 Arena Bonds, in any calendar year in an amount exceeding the average of the amount received by the County for the years 2015 and 2016; and

WHEREAS, the County has determined that it is necessary and desirable to issue the Series 2017 Sales Tax Revenue Arena Bonds, in one or more series, for the purpose of paying or reimbursing the costs of the Project, to fund any deposit to the Bond Reserve Fund, and to pay certain costs of issuance in connection with the Series 2017 Sales Tax Revenue Arena Bonds, together with any Series 2017 Nontax Revenue Arena Bonds it may issue pursuant to this Resolution; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that the usual daily operation of the County be continued and the public peace, health or safety of the County be preserved and for the further reason that funds be made available in a timely manner for the construction of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

1. Definitions and Interpretation. As used herein, the following terms shall be defined as follows:

“Bond Counsel” means Squire Patton Boggs (US) L.L.P. and Forbes, Fields & Associates Co., L.P.A. as Co-Bond Counsel.

“Bond Service Charges” means Bond Service Charges on Series 2017 Arena Bonds as defined in the applicable Indenture.

“Book entry form” or “book entry system” means a form or system under which (a) the ownership of book entry interests in Series 2017 Arena Bonds and the principal of and interest on the Series 2017 Arena Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the County only to a Depository or its nominee as registered owner, with the Series 2017 Arena Bonds deposited with and retained in the custody of the Depository or its agent. The book entry maintained by others than the County is the record that identifies the owners of book entry interests in those Series 2017 Arena Bonds and that principal and interest.

“Certificate of Award” means the one or more certificates authorized to be signed by the Fiscal Officer pursuant to Section 6, specifying and determining those terms or other matters pertaining to the Series 2017 Arena Bonds and their issuance, sale and delivery as this Resolution requires or authorizes to be set forth or determined therein.

“Closing Date” means the date or dates of original delivery of, and payment of the purchase price for, the Series 2017 Arena Bonds.

“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.

“Continuing Disclosure Certificate” means the one or more certificates authorized by Section 6(c) hereof which, together with the agreements of the County set forth in that Section, shall constitute the continuing disclosure agreement made by the County for the benefit of holders and beneficial owners of the Series 2017 Arena Bonds in accordance with the Rule.

“County Executive” means the County Executive of the County; provided, for purposes of the signing of documents, certificates and other instruments other than the Series 2017 Arena Bonds and the Official Statement, County Executive includes the County Executive’s Chief of Staff as the County Executive’s designee pursuant to Executive Order No. 02011-0002 and any other person duly designated by the County Executive.

“County Sales Tax Bond Fund” means the County Sales Tax Bond Fund created by the Sales Tax Revenue Bond Indenture.

“County Sales Tax Receipts” means the monies received by the County from the County Sales Tax.

“County Sales Tax Revenue Fund” means the County Sales Tax Revenue Fund created by the Sales Tax Revenue Bond Indenture.

“Depository” means The Depository Trust Company (a limited purpose trust company), New York, New York until a successor Depository shall have become such pursuant to the applicable provisions of the Indenture and, thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in the Series 2017 Arena Bonds or Bond Service Charges thereon, and to effect transfers of book entry interests in the Series 2017 Arena Bonds.

“Director of Law” means the Director of Law of the County, including an interim or acting Director of Law.

“Excluded Nontax Revenues” means the project revenues relating to a particular series of Nontax Revenue Bonds that are excluded from the definition of Nontax Revenues pursuant to the terms of the respective indenture or authorizing resolution for such Nontax Revenue Bonds.

“Fiscal Officer” means the Fiscal Officer of the County, including an interim or acting Fiscal Officer.

“Interest Payment Dates” means, unless otherwise determined by the Fiscal Officer and specified in the Certificate of Award, June 1 and December 1 of each year during which the Series 2017 Arena Bonds are outstanding, commencing December 1, 2017.

“Mandatory Sinking Fund Redemption Requirements” means, as to the Series 2017 Arena Bonds, the deposits required to be made in respect of the mandatory redemption requirements indicated in the Indenture.

“Nontax Revenues” means all money of the County that is not money raised by taxation, to the extent available for deposit in the Debt Retirement Fund, the Bond Reserve Fund or the Pledge Fund as provided in the Nontax Revenue Bond Indenture, including, but not limited to the following: (a) charges for services and payments received in reimbursement for services; (b) payments in lieu of taxes now or hereafter authorized by State statute; (c) fines and forfeitures; (d) fees from properly imposed licenses and permits; (e) investment earnings on any funds of the County that are credited to the County’s General Fund; (f) proceeds from the sale of assets; (g) rental income; (h) grants from the United States of America and the State of Ohio; (i) gifts and donations; and (j) Project Revenues; provided that Nontax Revenues do not include the Excluded Nontax Revenues.

“Nontax Revenue Bonds” means the Series 2017 Nontax Revenue Arena Bonds and any bonds, notes or other obligations of or guaranties by the County

secured by a pledge of the Nontax Revenues on a parity with or prior to the Series 2017 Nontax Revenue Arena Bonds.

“Nontax Revenue Bond Indenture” means the one or more trust indentures, to be dated the first day of the month in which the Series 2017 Nontax Revenue Arena Bonds are issued, between the County and the Nontax Revenue Bond Trustee and relating to the issuance of the Series 2017 Nontax Revenue Arena Bonds, and any amendment or supplement thereto.

“Nontax Revenue Bond Trustee” means the financial institution designated by the Fiscal Officer in the Certificate of Award, in accordance with Section 9 of this Resolution.

“Nontax Revenue Pledged Fund” means the fund so identified in the Nontax Revenue Bond Indenture.

“Nontax Revenue Special Funds” means the funds so identified in the Nontax Revenue Bond Indenture.

“Original Purchaser” means collectively KeyBanc Capital Markets, Inc., PNC Capital Markets LLC and Fifth Third Securities, Inc., in such roles for particular series of the Series 2017 Arena Bonds as may be specified in the Certificate of Award, together with any other purchasers identified in the Certificate of Award.

“Participant” means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

“Pledged Nontax Revenues” means (i) all Project Revenues, (ii) proceeds of any series of Series 2017 Nontax Revenue Bonds used to pay capitalized interest or otherwise to be available to pay Bond Service Charges, (iii) Nontax Revenues in the Nontax Revenue Pledged Fund, (iv) all money in the Nontax Revenue Special Funds and (v) all income and profit from the investment of the foregoing money.

“Pledged Sales Tax Revenue Bond Funds” means the County Sales Tax Bond Fund and any other funds established under the Indenture and pledged as security for the Series 2017 Arena Bonds.

“Pledged Sales Tax Revenues” means, collectively, (a) the County Sales Tax Receipts and (b) all monies in the Pledged Sales Tax Revenue Bond Funds and all income and profit from the investment of those monies.

“Principal Payment Dates” means, unless otherwise determined by the Fiscal Officer and specified in the Certificate of Award, December 1 in each of the years from and including 2017 to and including 2034.

“Project Revenues” means any money and investments received in connection with the Project and pledged to one or more series of Series 2017 Arena Bonds, pursuant to the Sales Tax Revenue Bond Indenture or the Nontax Revenue Bond Indenture.

“Purchase Agreement” means, with respect to the Series 2017 Arena Bonds, one or more Bond Purchase Agreements between the County and the Original Purchaser.

“Rule” means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time.

“Sales Tax Revenue Bonds” means the Series 2017 Sales Tax Revenue Arena Bonds and other bonds that are currently outstanding or that the County may issue in the future that are secured by the Sales Tax Revenue Bond Indenture.

“Sales Tax Revenue Bond Indenture” means the Trust Indenture dated as of December 1, 2014 between the County and the Sales Tax Revenue Bond Trustee, as amended and supplemented, including by Sales Tax Revenue Bond Supplemental Indenture No. 3.

“Sales Tax Revenue Bond Trustee” means the financial institution designated by the Fiscal Officer in the Certificate of Award, in accordance with Section 9 of this Resolution.

“Sales Tax Revenue Bond Supplemental Indenture No. 3” means Supplemental Trust Indenture No. 3, to be dated the first day of the month in which the Series 2017 Sales Tax Arena Bonds are issued, between the County and the Sales Tax Revenue Bond Trustee and relating to the issuance of the Series 2017 Sales Tax Revenue Arena Bonds, and any amendment or supplement thereto.

“Series 2017 Arena Bonds” means the Series 2017 Sales Tax Revenue Arena Bonds and the Series 2017 Nontax Revenue Arena Bonds.

“Series 2017 Sales Tax Revenue Arena Bonds” means any Series 2017 Arena Bonds designated as such in the Certificate of Award.

“Series 2017 Nontax Revenue Arena Bonds” means any Series 2017 Arena Bonds designated as such in the Certificate of Award.

“Taxable Bonds” means any Series 2017 Arena Bonds that are not Tax-Exempt Bonds.

“Tax-Exempt Bonds” means any Series 2017 Arena Bonds that are issued and sold as obligations to which Section 103 of the Code applies, the interest on which is excluded from gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code.

“Tax Status” means the status of Bonds as Tax-Exempt Bonds or Taxable Bonds.

“Term Bonds” means those Series 2017 Arena Bonds designated as such in the Certificate of Award, maturing on the date or dates set forth therein, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

Any reference to this Council, the County or to its members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those which succeed to their functions, duties or responsibilities by operation of law and also those who at the time may legally act in their place.

The captions and headings in this Resolution 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 Resolution unless otherwise indicated.

2. Authorization and Determinations.

(a) It is necessary to issue Sales Tax Revenue Bonds or Nontax Revenue Bonds of the County in an aggregate principal amount that will generate net proceeds (i.e., aggregate principal amount net of costs of issuance, capitalized interest, any original issue discount, and the amount required to fund any bond reserve fund) of \$140,000,000 (the “Series 2017 Arena Bonds”) for the purpose of paying or reimbursing the costs of the Project, funding any deposit to a Bond Reserve Fund, paying any capitalized interest on the Series 2017 Arena Bonds, and paying the costs of issuance in connection therewith.

(b) This Council finds and determines that the Project constitutes a “project” as defined in the Act and is consistent with the purposes of Section 13, Article VIII of the Ohio Constitution to benefit the people of the County and of the State by creating and preserving jobs and employment opportunities and improving the economic welfare of the people of the County and of the State.

3. Bond Terms. The Series 2017 Arena Bonds shall be issued pursuant to the terms of the Sales Tax Revenue Bond Indenture or the Nontax Revenue Bond Indenture, as the case may be. The Series 2017 Arena Bonds may be issued in one or more series, and shall be numbered in such manner as to distinguish each Series 2017 Arena Bond from any other Series 2017 Arena Bond of the same series. The Series 2017 Arena Bonds shall be issued in denominations of \$5,000 or multiples of \$5,000 in excess thereof, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The Series 2017 Arena Bonds shall be dated as determined by the Fiscal Officer, with the true interest cost on the Series 2017 Arena Bonds not to exceed five and one-half percent (5.50%) per year (computed on the basis of a 360-day year consisting of twelve 30-day months),

provided that if any series of Series 2017 Arena Bonds are to be Taxable Bonds, the true interest cost on those Series 2017 Arena Bonds shall not exceed seven percent (7.00%) per year, payable on such semiannual dates or annual dates as determined by the Fiscal Officer in the Certificate of Award until the principal amount is paid, and shall mature on such semiannual dates or annual dates as determined by the Fiscal Officer in the Certificate of Award, provided that the final maturity of any Series 2017 Sales Tax Revenue Arena Bonds shall not be later than January 1, 2035, in accordance with Section 133.21 of the Ohio Revised Code, and the final maturity of any Series 2017 Nontax Revenue Arena Bonds shall be not later than January 1, 2035, all as set forth in the Certificate of Award and the Sales Tax Revenue Bond Indenture or the Nontax Revenue Bond Indenture, as the case may be.

4. Redemption Provisions. The Series 2017 Arena Bonds shall mature serially on such dates and in such principal amounts as are fixed by the Fiscal Officer in the Certificate of Award and the applicable Indenture, provided that the Series 2017 Arena Bonds stated to mature in any year may be issued as Term Bonds payable pursuant to Mandatory Sinking Fund Redemption Requirements as hereinafter defined and further described below and as provided for in the applicable Indenture. The Fiscal Officer shall determine in the Certificate of Award whether any of the Series 2017 Arena Bonds shall be issued as Term Bonds and any dates (the "Mandatory Redemption Dates") on which the principal amount stated above shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements rather than at stated maturity (the "Mandatory Sinking Fund Redemption Requirements").

The Series 2017 Arena Bonds shall be subject to redemption prior to stated maturity as follows:

(a) *Mandatory Sinking Fund Redemption.* If any of the Series 2017 Arena Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory sinking fund redemption and be redeemed pursuant to Mandatory Sinking Fund Redemption Requirements, at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the redemption date, on the Mandatory Redemption Dates.

(b) *Optional Redemption.* The Series 2017 Arena Bonds shall be subject to redemption prior to maturity by or at the option of the County, at par, in whole or in part on any date on the dates, in the years and for the prices specified in the Certificate of Award, provided, however, that the Fiscal Officer may determine in the Certificate of Award that it is in the best interest of the County that the Series 2017 Arena Bonds not be subject to redemption prior to maturity. If the Series 2017 Arena Bonds are subject to redemption, the maximum redemption price shall be no greater than 100% of the principal amount redeemed, plus accrued interest to the redemption date for any Tax-Exempt Bonds and no greater than 103% of the principal amount redeemed, plus accrued interest to the redemption date for any Taxable Bonds.

5. Execution of Bonds. The Series 2017 Sales Tax Revenue Arena Bonds shall be designated “Cuyahoga County Sales Tax Revenue Bonds, Series 2017 (Arena Project)”, and the Series 2017 Nontax Revenue Arena Bonds shall be designated “Cuyahoga County Nontax Revenue Bonds, Series 2017 (Arena Project),” or in either case such other name as may be designated in the Certificate of Award, including any additional designation that the Fiscal Officer determines is appropriate to identify the Tax Status of Any Series of Series 2017 Arena Bonds. The Series 2017 Arena Bonds shall contain a summary statement of the purposes for which they are issued; shall state that they are issued pursuant to this Resolution; shall be executed by the County Executive and the Fiscal Officer, in the name and on behalf of the County and in their official capacities, provided that either or both of those signatures may be a facsimile; shall be issued only in fully registered form; and shall be registered as to both principal and interest at the corporate trust office of the Trustee under the applicable Indenture. The Series 2017 Arena Bonds shall be issued in the denominations and numbers as requested by the Original Purchaser and approved by the Fiscal Officer, and shall be numbered as determined by the Fiscal Officer.

The principal of the Series 2017 Arena Bonds shall be payable at maturity of the Series 2017 Arena Bonds upon presentation and surrender to the Trustee. Interest on any Bond shall be paid on each Interest Payment Date as defined in and as further provided in the Indenture. The principal and interest on the Series 2017 Arena Bonds is payable in lawful money of the United States of America without deduction for the services of the Trustee.

No Bond shall be valid or become obligatory for any purpose unless and until an authentication certificate appearing on the Series 2017 Arena Bond shall have been duly endorsed by the Trustee.

6. Book-Entry System. The Series 2017 Arena Bonds may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized: (i) the Series 2017 Arena Bonds of each series may be issued in the form of a single, fully registered bond representing each maturity and interest rate and Tax Status within a maturity and registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository or its designated agent, which may be the Trustee; (ii) the beneficial owners of Series 2017 Arena Bonds in book entry form shall have no right to receive Series 2017 Arena Bonds in the form of physical securities or certificates; (iii) ownership of beneficial interests in Series 2017 Arena Bonds in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; (iv) the Series 2017 Arena Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the County, and (v) all the foregoing shall also be in accordance with the applicable Indenture and, in the case of Series 2017 Sales Tax Revenue Arena Bonds, Section

9.96 and Chapter 133 of the Ohio Revised Code, and, in the case of any Series 2017 Nontax Revenue Arena Bonds, the Act.

If any Depository determines not to continue to act as a Depository for the Series 2017 Arena Bonds for use in a book entry system, the County may attempt to establish a securities depository/book entry system relationship with another qualified Depository. If the County does not or is unable to do so, the County and the Trustee, after the Trustee has made provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Series 2017 Arena Bonds from the Depository, and shall cause Bond certificates in registered form to be authenticated by the Trustee and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing) of those persons requesting such issuance.

The County Executive and the Fiscal Officer are each authorized and directed, to the extent necessary or required, to enter into any agreements, in the name and on behalf of the County, that that officer determines to be necessary in connection with a book entry system for the Series 2017 Arena Bonds, after determining that entering into those agreements will not endanger the funds or securities of the County.

7. Award and Sale of Bonds. The Series 2017 Arena Bonds shall be sold to the Original Purchaser at a purchase price and bearing interest at a rate or rates determined by the County Executive or the Fiscal Officer to be in the best interest of the County and as specified by the County Executive or the Fiscal Officer in the Certificate of Award in accordance with law, the provisions of this Resolution, and the applicable Indenture. The County Executive or the Fiscal Officer, or both of them, shall sign the Certificate of Award evidencing that sale to the Original Purchaser, with the final purchase price, interest rate or rates, aggregate principal amount, principal amounts payable at each stated maturity, the amount of any capitalized interest, and Tax Status, and with the designation of some or all of the Series 2017 Arena Bonds as Series 2017 Sales Tax Revenue Arena Bonds or as Series 2017 Nontax Revenue Arena Bonds, being set forth in the Certificate of Award and the applicable Indenture, at a purchase price not less than 97% of par plus any accrued interest to their date of delivery. The Fiscal Officer may specify in the Certificate of Award whether any reserve fund shall be established for all or any of the Series 2017 Arena Bonds and, if so, the applicable reserve requirement (subject to any applicable federal tax law restrictions) and source of funding. The Fiscal Officer shall cause the Series 2017 Arena Bonds to be prepared, and have the Series 2017 Arena Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series 2017 Arena Bonds if requested by the Original Purchaser, to the Original Purchaser upon payment of the purchase price. The Fiscal Officer, the County Executive, the Director of Law, the Clerk of this Council and other County officials, as appropriate, are each 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 Resolution.

If, in the judgment of the Fiscal Officer, the filing of an application for (i) a rating on any Series 2017 Arena Bonds by one or more nationally-recognized rating agencies, or (ii) a policy of insurance or other credit enhancement facility from a company or companies to better assure the payment of principal of and interest on any Series 2017 Arena Bonds, or (iii) a surety bond or other credit enhancement facility from a company or other companies to satisfy any reserve requirement for any Series 2017 Arena Bonds is in the best interest of and financially advantageous to the County, the Fiscal Officer is authorized to prepare and submit those applications, to provide to each such agency, company or other credit enhancement facility provider such information as may be required for the purpose. The cost of obtaining each such rating, policy, bond or credit enhancement facility, except to the extent paid by the Original Purchaser, shall be paid from the proceeds of the Series 2017 Arena Bonds.

They Certificate of Award shall also specify the number of series in which the Series 2017 Arena Bonds will be issued and the designation of each. The Series 2017 Arena Bonds of each series shall conform to the limitations and requirements of this Resolution, and the Series 2017 Arena Bonds as a whole shall conform to the limitations and requirements of this Resolution.

The County Executive and the Fiscal Officer are, and each of them is, hereby authorized to execute and deliver, in the name and on behalf of the County, a Purchase Agreement for each series of Series 2017 Arena Bonds, with the Original Purchaser for that Series, dated as of a date to be specified in the Certificate of Award, incorporating or reflecting the Certificate of Award for that series and setting forth the terms and conditions for the sale and delivery of the Series 2017 Arena Bonds of that series to the Original Purchaser thereof, which the official or officials executing the Purchase Agreement and the Director of Law shall have determined to be consistent with the purposes and requirements of this Resolution and otherwise in the best interests of the County, all of which shall be conclusively evidenced by the signing of the Purchase Agreement by those officials.

If the Series 2017 Arena Bonds are issued in multiple series, then each series shall conform to all the restrictions and requirements specified in this Resolution and all of the Series 2017 Arena Bonds, in the aggregate, shall conform to the restrictions and requirements specified in this Resolution.

8. Application of Bond Proceeds. The proceeds of the sale of the Series 2017 Arena Bonds shall be allocated and deposited as provided in the applicable Indenture.

9. Appointment of Bond Trustee; Indenture. The Certificate of Award shall also designate the financial institution (each of which shall have corporate trust powers in the State of Ohio and such other qualifications as the County Executive or

Fiscal Officer deems appropriate) to act as the trustee (each such trustee, or a successor trustee pursuant to the applicable Indenture, the “Trustee”) for the Series 2017 Arena Bonds or for any series thereof issued under a separate Indenture. The Fiscal Officer shall provide for the payment of the services rendered and for reimbursement of expenses incurred by the Trustee pursuant to the applicable Indenture from the proceeds of the Series 2017 Arena Bonds to the extent available and then from other moneys lawfully available and appropriated or to be appropriated for that purpose.

In order to secure the Series 2017 Arena Bonds, the County Executive and the Fiscal Officer are, and each of them is, hereby authorized to execute and deliver, in the name and on behalf of the County, a trust indenture or supplemental trust indenture (each, an “Indenture”), each dated as of a date to be specified in the Certificate of Award, that the official or officials executing the Indenture and the Director of Law have determined to be consistent with the purposes and requirements of this Resolution and otherwise in the best interests of the County, all of which shall be conclusively evidenced by the signing of the Indenture by those officials.

10. Security for the Series 2017 Arena Bonds.

(a) Series 2017 Sales Tax Revenue Arena Bonds. The Series 2017 Sales Tax Revenue Arena Bonds are special obligations of the County, and the principal of and interest (and any premium) on the Series 2017 Sales Tax Revenue Arena Bonds are payable solely from the Pledged Sales Tax Revenues and the Pledged Sales Tax Revenue Bond Funds, together with other available funds of the County, and such payment is secured by a pledge of and a lien on the Pledged Sales Tax Revenues and the Pledged Sales Tax Revenue Bond Funds as provided in Chapter 133 of the Ohio Revised Code, this Resolution and the applicable Indenture.

The County has heretofore levied and covenants that it shall continue to collect the County Sales Taxes for so long as the Series 2017 Sales Tax Revenue Arena Bonds are outstanding. The County hereby covenants and agrees that, so long as the Series 2017 Sales Tax Revenue Arena Bonds are outstanding, it shall not suffer the repeal, amendment or any other change in this Resolution or the County Sales Tax Resolutions that in any way materially and adversely affects or impairs (a) the sufficiency of the County Sales Tax Receipts levied and collected or otherwise available for the payment of the Series 2017 Sales Tax Revenue Arena Bonds or (b) the pledge or the application of the County Sales Tax Receipts to the payment of the Series 2017 Sales Tax Revenue Arena Bonds.

The Series 2017 Sales Tax Revenue Arena Bonds do not constitute a general obligation debt, or a pledge of the full faith and credit, of the State, the County, or any other political subdivision of the State, and the holders or owners of the Series 2017 Sales Tax Revenue Arena Bonds have no right to have taxes levied by the General Assembly or property taxes levied by the taxing authority of any political subdivision of the State, including the taxing authority of the County, for

the payment of principal of and interest (and any premium) on the Series 2017 Sales Tax Revenue Arena Bonds. Nothing herein shall be construed as requiring the County to use or apply to the payment of principal of and interest (and any premium) on the Series 2017 Sales Tax Revenue Arena Bonds any funds or revenues from any source other than County Sales Tax Receipts. Nothing herein, however, shall be deemed to prohibit the County, of its own volition, from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions or obligations of this Resolution or of the Series 2017 Sales Tax Revenue Arena Bonds.

(b) Series 2017 Nontax Revenue Arena Bonds. The Series 2017 Nontax Revenue Arena Bonds are special obligations of the County, and the Bond Service Charges on the Series 2017 Nontax Revenue Arena Bonds are payable solely from the Nontax Revenues, and such payment is secured by a pledge of and an assignment of the Nontax Revenues and the assignment of and grant of a security interest in the Pledged Nontax Revenues as provided in this Resolution and in the applicable Indenture. The County hereby covenants and agrees that, as provided in the Indenture, it shall appropriate in its annual appropriation measure for each Year, The County hereby covenants and agrees that it shall appropriate in its appropriation measure for each year the Bonds are outstanding Nontax Revenues in an amount sufficient to pay all Bond Service Charges due and payable in that year. The County further covenants and agrees that it shall deposit from time to time Nontax Revenues into the bond fund identified in the Nontax Revenue Indenture sufficient, together with amounts then on deposit in such fund, to pay the Bond Service Charges when due.

The payments due hereunder and under the Series 2017 Nontax Revenue Arena Bonds are payable solely from the Nontax Revenues as defined in this Resolution, which Nontax Revenues are hereby determined to be money that is not raised by taxation. The Series 2017 Nontax Revenue Arena Bonds do not and shall not represent or constitute a debt or pledge of the faith or credit or taxing power of the County, and the owners of the Series 2017 Nontax Revenue Arena Bonds have no right to have taxes levied by the County for the payment of Bond Service Charges.

Nothing herein shall be construed as requiring the County to use or apply to the payment of principal and interest on the Bonds any funds or revenues from any source other than Nontax Revenues. Nothing herein, however, shall be deemed to prohibit the County, of its own volition, from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions or obligations of this Resolution or of the Series 2017 Nontax Revenue Arena Bonds.

The County covenants that, so long as any of the Series 2017 Nontax Revenue Arena Bonds are outstanding, it shall not issue any Parity Obligations, unless, prior to adoption of the resolution authorizing such Parity Obligations, the County shall have certified to the Trustee that the average annual Nontax Revenues

during the Coverage Computation Period, adjusted to reflect, if necessary, changes in the rates or charges resulting in the Nontax Revenues, will aggregate in amount not less than the Coverage Ratio of the highest amount of (a) Bond Service Charges and (b) required payments on such proposed Parity Obligations and any outstanding Parity Obligations due in any succeeding Year (all capitalized terms used in this paragraph but not otherwise defined in this Resolution being used with the definitions assigned to them in the applicable Indenture).

11. Federal Tax Considerations. This Section 11 applies only to Series 2017 Arena Bonds that are Tax-Exempt Bonds.

The County covenants that it will use, and will restrict the use and investment of, the proceeds of the Series 2017 Arena Bonds in such manner and to such extent as may be necessary so that (a) the Series 2017 Arena Bonds 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 on the Series 2017 Arena Bonds will not be treated as an item of tax preference under Section 57 of the Code.

The County 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 Series 2017 Arena Bonds to be and to remain excluded from gross income for federal income tax purposes, and (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 Series 2017 Arena Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (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 County Executive, the Fiscal Officer, or any other officer of the County having responsibility for issuance of the Series 2017 Arena Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the County with respect to the Series 2017 Arena Bonds as the County is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2017 Arena Bonds or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, 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, as determined by that officer, 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 County, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Series 2017 Arena Bonds, and (c) to give one or more appropriate certificates of the County, for inclusion in the transcript of proceedings for the Series 2017 Arena Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Series 2017 Arena 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 Series 2017 Arena Bonds. Notwithstanding the foregoing or any other provisions of this Resolution to the contrary, if the Fiscal Officer determines in the Certificate of Award that it is necessary and appropriate and in the best interests of the County for the interest on the Series 2017 Arena Bonds not to be excluded from gross income for federal income tax purposes, the County shall not be bound by the covenants of this Section.

12. Primary Offering Disclosure; Official Statement. The County Executive and the Fiscal Officer, in the name and on behalf of the County and in their official capacities, are authorized and directed to (i) prepare or cause to be prepared, and to make or authorize modifications, completions or changes of or supplements to, a disclosure document in the form of one or more official statements in connection with the original issuance of the Series 2017 Arena Bonds, (ii) determine, and to certify or otherwise represent, when each official statement is to be “deemed final” (except for permitted omissions) by the County as of its date or is a final official statement for purposes of the Rule, (iii) use and distribute, or authorize the use and distribution of, the “deemed final” and final official statements and any supplements thereto in connection with the original issuance of the Series 2017 Arena Bonds, and (iv) complete and sign each final official statement as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of the “deemed final” and final official statements as they deem necessary and appropriate.

13. Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Series 2017 Arena Bonds, the County agrees to provide or cause to be provided such financial information and operating data, audited financial statements and notices of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The County Executive and the Fiscal Officer are authorized and directed to sign and deliver one or more continuing disclosure agreement (each, a “Continuing Disclosure Agreement”), setting forth the County’s undertaking to provide such information and notices dated the date of delivery of the Series 2017 Arena Bonds and delivered to the Original Purchaser of the Series 2017 Arena Bonds. The County Executive and the Fiscal Officer are, and each of them is, hereby authorized to execute and deliver, in the name and on behalf of the County, each Continuing Disclosure Agreements that the official or officials executing the Continuing Disclosure Agreement and the Director of Law shall have determined to be consistent with the purposes and requirements of this Resolution and otherwise in the best interests of the County, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement or Agreements by those officials.

14. Certification and Delivery of Resolution. The Clerk of this Council is directed to deliver or cause to be delivered a certified copy of this Resolution to the Fiscal Officer.

15. Certification of Project. Prior to the delivery of any Series 2017 Nontax Revenue Bonds, the Cuyahoga County Community Improvement Corporation shall certify to the County that the Project is in accordance with the plan for the industrial, commercial, distribution and research development of the County heretofore confirmed by the County pursuant to Section 1724.10, Ohio Revised Code.

16. Satisfaction of Conditions for Bond Issuance. This Council determines that all acts and conditions necessary to be done or performed by the County or to have been met precedent to and in the issuing of the Series 2017 Arena Bonds in order to make them legal, valid and binding obligations of the County have been performed and have been met, or will at the time of delivery of the Series 2017 Arena Bonds have been performed and have been met, in regular and due form as required by law.

17. Other Documents. The County Executive, the Fiscal Officer, the Director of Law and the Clerk of Council are each hereby authorized and directed to take any and all other actions and to execute any and all other instruments, certificates and documents as may in their judgment be necessary, desirable, advisable or appropriate in connection with the issuance of the Series 2017 Arena Bonds in order to give effect to the transactions contemplated to be performed on the part of the County under this Resolution, including, but not limited to, any cooperative agreement or other agreement with Gateway Economic Development Corporation of Greater Cleveland, the City of Cleveland, and Destination Cleveland related to the Project or to revenues that may be available for the Project or for payment of Bond Service Charges on the Series 2017 Arena Bonds that the official or officials executing such document and the Director of Law shall have determined to be necessary and appropriate in connection with the issuance and delivery of the Series 2017 Arena Bonds and otherwise in the best interests of the County, all of which shall be conclusively evidenced by the signing thereof by those officials.

18. Bond Counsel. This Council hereby retains the legal services of Squire Patton Boggs (US) LLP, and Forbes, Fields & Associates Co., L.P.A. as Co-Bond Counsel to the County, in connection with the authorization, sale, issuance and delivery of the Series 2017 Arena Bonds, pursuant to the authority in Ohio Revised Code Section 165.02. In providing those legal services, as an independent contractor and in an attorney-client relationship, Bond Counsel shall not exercise any administrative discretion on behalf of the County in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, or of the County, or of any other political subdivision of the State, or the execution of public trusts.

19. Compliance with Open Meetings. This Council finds and determines that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of Council, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements, including Ohio Revised Code Section 121.22.

20. Captions and Headings. The captions and headings in this Resolution 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. References to a Section are to a section of this Resolution.

21. Severability. Each section of this Resolution and each subdivision or paragraph of any section thereof is declared to be independent and the finding or holding of any section or any subdivision or paragraph of any section thereof to be invalid or void shall not be deemed or held to affect the validity of any other section, subdivision or paragraph of this Resolution.

22. Effective Date. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health, or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (i) its approval by the County Executive through signature, (ii) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Charter, or (iii) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: February 14, 2017
Committee(s) Assigned: Committee of the Whole

Journal _____
_____, 2017