

ORDINANCE NO. 14-93

AN ORDINANCE TO AMEND SECTION 6 OF ORDINANCE NO. 10-93, PASSED MAY 3, 1993, TO CHANGE CERTAIN OPTIONAL CALL PROVISIONS WITH RESPECT TO THE BONDS FOR GOLF COURSE RECREATIONAL PURPOSES AUTHORIZED BY THAT ORDINANCE, AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Ordinance No. 10-93, passed May 3, 1993, this Council authorized the issuance and sale of Bonds in the maximum principal amount of \$8,175,000 for certain golf course recreational facility improvements (the Bonds); and

WHEREAS, the marketing of the Bonds requires an adjustment in the optional call provisions as stated in Section 6 as amended by this Ordinance;

THE MUNICIPALITY OF CENTERVILLE HEREBY ORDAINS:

Section 1. That this Council hereby declares that an emergency exists affecting the public welfare, in that the Bonds authorized by Ordinance No. 10-93 must be sold without delay in order to retire bond anticipation notes maturing on June 1, 1993 and thereby maintain the credit standing of the City.

Section 2. That Section 6 of Ordinance No. 10-93, passed May 3, 1993, is amended to read as follows:

Section 6. The Bonds shall be subject to redemption prior to stated maturity as follows:

(a) Mandatory Redemption. If any of the Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption and be redeemed pursuant to Mandatory 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.

The aggregate of the moneys to be deposited with the Bond Registrar (as defined in Section 8 below) for payment of principal of and interest on any Term Bonds shall include amounts sufficient to redeem on the Mandatory Redemption Dates the principal amount of Term Bonds payable on those dates pursuant to the Mandatory Redemption Requirements (less the amount of any credit as provided below).

The City shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current Mandatory Redemption Requirement (and corresponding mandatory redemption obligation) of the City for any Term

Bonds. That option shall be exercised by the City on or before the forty-fifth day preceding the applicable Mandatory Redemption Date, by furnishing the Bond Registrar a certificate, signed by the Director of Finance, setting forth the extent of the credit to be applied with respect to the then current Mandatory Redemption Requirement. If the certificate is not timely furnished to the Bond Registrar, the Mandatory Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current Mandatory Redemption Requirement (and corresponding mandatory redemption obligation) also shall be received by the City for any Term Bonds which prior thereto have been redeemed (other than through the operation of the Mandatory Redemption Requirements) or purchased for cancellation and cancelled by the Bond Registrar, to the extent not applied theretofore as a credit against any redemption obligation.

Each Term Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current Mandatory Redemption Requirement (and corresponding mandatory redemption obligation). Any excess of that amount over the then current Mandatory Redemption Requirement shall be credited against subsequent Mandatory Redemption Requirements (and corresponding mandatory redemption obligations) in the order directed by the Director of Finance.

(b) Optional Redemption. The Bonds shall be subject to optional redemption in accordance with this section unless it is determined by the Director of Finance that it is advantageous to and in the best interest of the City for the Bonds to be issued without optional redemption provisions and that determination shall be set forth in the Certificate of Award. Any Bonds stated to mature on or after December 1, 2005 shall be subject to redemption by and at the option of the City, in whole or in part on any date on or after December 1, 2004, in integral multiples of \$5,000 at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2004 through November 30, 2005 [101%]	<u>102%</u>
December 1, 2005 through November 30, 2006	<u>101%</u>
December 1, [2005] <u>2006</u> and thereafter	<u>100%</u>

If optional redemption at a price exceeding 100% of the principal amount to be redeemed is to take place as of any applicable Mandatory Redemption Date, the Bonds, or

portions thereof, to be redeemed optionally shall be selected by lot prior to the selection by lot of the Bonds to be redeemed on the same date by operation of the Mandatory Redemption Requirements of paragraph (c)(i). The Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the Director of Finance to the Bond Registrar, given upon the direction of the Council by adoption of a resolution or ordinance. That notice shall specify the redemption date and the principal amount of each maturity of Bonds to be redeemed, and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(c) Partial Redemption. If fewer than all of the outstanding Bonds are called for redemption at one time and Bonds of more than one maturity are then outstanding, the Bonds that are called shall be called in the order of maturities of the Bonds as determined by the Director of Finance. If fewer than all Bonds of a single maturity are to be redeemed, the selection of Bonds of that maturity to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by the Bond Registrar by lot in any manner that the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (i) for payment of the redemption price of the \$5,000 unit or units called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (ii) for issuance, without charge to the registered owner thereof, of a new Bond or Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(d) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid,

at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register (as defined in Section 7 below) maintained by the Bond Registrar at the close of business on the fifteenth day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(e) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, funds which, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus interest accrued to the redemption date. If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If that money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All money held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

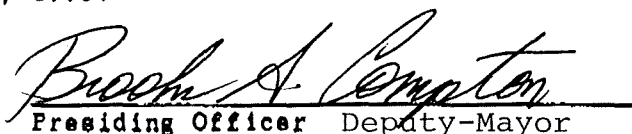
Section 3. That Section 6 of Ordinance No. 10-93, as passed May 3, 1993, is hereby amended.

Section 4. The Clerk of Council is directed to deliver a certified copy of this ordinance to the Auditor of Montgomery County.

Section 5. 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 6. That this ordinance shall become effective upon its adoption, in accordance with Section 5.05 of the Charter of the City and by reason of Sections 5.05 and 8.11 of the Charter of the City shall not stand repealed as of the 75th day after adoption.

Adopted this 17th day of May, 1993.


Presiding Officer Deputy-Mayor

Attest:


Clerk of Council