

ORDINANCE NO. 98-7

AN ORDINANCE OF THE CITY OF ROCKPORT (1) AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF THE VARIABLE RATE FORMS OF THE TRUST INDENTURE, THE LOAN AGREEMENT AND THE UNDERWRITING AGREEMENT; (2) AUTHORIZING THE ISSUANCE AND SALE OF VARIABLE RATE DEMAND REVENUE BONDS, SERIES 1999A (AK STEEL CORPORATION PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000; AND (3) AUTHORIZING THE USE OF THE PROCEEDS THEREOF BY AK STEEL CORPORATION AND OTHER MATTERS RELATING THERETO.

WHEREAS, this Common Council passed a resolution on February 15, 1997, approving a plan of finance which includes the issuance of revenue bonds on behalf of AK Steel Corporation (the "Company") in an amount not to exceed \$50,000,000, and pursuant to said plan of finance the City of Rockport issued bonds on behalf of the Company on February 27, 1997, in the amount of \$10,000,000 and on February 10, 1998, in the amount of \$10,000,000, and now proposes to issue additional revenue bonds in an amount of \$10,000,000; and

WHEREAS, the Rockport Economic Development Commission has heretofore adopted and transmitted hereto a Resolution dated December 5, 1998, approving the issuance by the City of Rockport, Indiana, of its Variable Rate Demand Revenue Bonds, Series 1999A (AK Steel Corporation Project) (the "Bonds"), in the aggregate principal amount not to exceed \$10,000,000 for the purpose of financing a portion of the costs of acquisition and construction of certain "pollution control facilities" (within the meaning of Indiana Code, 36-7-11.9 and 12, as amended (the "Act") at the Rockport Works facility, located at 6500 North U.S. Highway 231 near the City of Rockport in Spencer County, Indiana, and finding that said bond issue complies with the purposes and provisions of the Act, and that said financing will be of benefit to the health and welfare of the City of Rockport and Spencer County and their citizens, and further approved the substantially final forms

of the Trust Indenture (Variable Rate Form in the form for the Series 1999A Bonds), the Loan Agreement (Variable Rate Form in the form for the Series 1999A Bonds), and the Underwriting Agreement (Variable Rate Form in the form for the Series 1999A Bonds), which Resolution of the Rockport Economic Development Commission has been transmitted hereto; and

WHEREAS, the Rockport Economic Development Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF ROCKPORT, INDIANA:

Section 1. It is hereby found that the issuance of the additional Bonds for the purpose of financing a portion of the costs of acquisition and construction of certain "pollution control facilities" (within the meaning of the Act) on behalf of the Company in an aggregate principal amount not to exceed \$10,000,000 pursuant to the previously approved plan of finance, with the maturity of any such Bonds issued not being later than thirty-five years from the date of issuance, and the payment to the City of Rockport, Indiana, by the Company through payments to be made under the Loan Agreement (as hereinafter defined) between the City of Rockport and the Company, complies with the purposes and provisions of the Act, and will be of benefit to the health and welfare of the City of Rockport, the County of Spencer and their citizens.

Section 2. The substantially final forms of the Trust Indenture (Variable Rate Form in the form for the Series 1999A Bonds), the Loan Agreement (Variable Rate Form in the form for the Series 1999A Bonds), the Official Statement and the Underwriting Agreement (Variable Rate Form in the form for the Series 1999A Bonds), approved by the Rockport Economic Development Commission are hereby approved and incorporated herein by reference and shall be inserted in the

minutes of the Common Council and kept on file by the Clerk-Treasurer. Also, the Mayor is authorized to consent to the distribution of the Official Statement in connection with the marketing of the Bonds by Goldman, Sachs & Co. (the "Underwriter"). In accordance with the provisions of I.C. 36-1-5-4, two copies of all such documents are on file in the office of the Clerk-Treasurer for public inspection.

Section 3. The City of Rockport shall issue the Bonds in the total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000), maturing not later than thirty-five years after the original issuance thereof, pursuant to the previously approved plan of finance for the purpose of financing a portion of the costs of acquisition and construction of certain "pollution control facilities" (within the meaning of the Act) on behalf of AK Steel Corporation, located at the Rockport Works facility near the City of Rockport in Spencer County, Indiana, which bonds will be payable as to the principal of, premium if any, and interest thereon solely from the payments made by AK Steel Corporation under the Loan Agreement, or as otherwise provided in the Trust Indenture. The Bonds shall be issued in fully registered form, but not registrable to bearer, and shall be redeemable as provided in the Trust Indenture. The Bonds shall be issuable only in denominations as set forth in the Trust Indenture. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Rockport, Indiana. The Bonds shall be dated the date of delivery thereof.

Section 4. The Bonds shall bear interest at the interest rates determined and set for the various modes as set forth in the Trust Indenture but in no case to exceed 10.00% per annum. The action of the Mayor and the Clerk-Treasurer in selling the Bonds to the Underwriter at a price of not less than 100% of the principal amount thereof pursuant to the Underwriting Agreement is hereby

authorized and approved.

To the extent not paid to the Underwriter as a discount, the Underwriter shall be entitled to a commission as compensation for its commitments and services in an amount as set forth in the Underwriting Agreement. The actual amount of the commission will be specified in the Underwriting Agreement and shall be authorized and approved by the execution and delivery thereof by the parties thereto.

Section 5. At the time of issuance of the Bonds, the Mayor and the Clerk-Treasurer are authorized and directed to execute, seal, attest and deliver the Trust Indenture, the Loan Agreement and the Underwriting Agreement, in both preliminary and final form, approved in substantially final form herein on behalf of the City of Rockport, Indiana, and any other document which may be necessary or desirable to consummate the transaction, including the Bonds authorized herein. The Mayor and the Clerk-Treasurer are hereby expressly authorized to approve any modifications or additions to said documents which take place after the date of this Ordinance with the review and advice of the City Attorney, it being the express understanding of this Common Council that said documents are in substantially final form as of the date of this Ordinance. The approval of said modifications or additions shall be conclusively evidenced by the execution and attestation thereof and the affixing of the seal thereto or the imprinting of the seal thereon; provided, however, that no such modification or addition shall change the maximum principal amount of, maximum interest rate approved herein or term to maturity of the Bonds as approved by the Common Council by this Ordinance without further consideration by the Common Council. The signatures of the Mayor and the Clerk-Treasurer on the Bonds may be facsimile signatures. The Clerk-Treasurer is expressly authorized to arrange for the delivery of the Bonds to the Underwriter, payment for which shall be

made to the Trustee named in the Trust Indenture.

Section 6. The provisions of this Ordinance shall constitute the public approval required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Ordinance and the Trust Indenture securing the Bonds shall constitute a contract binding between the City of Rockport and the owners of the Bonds, and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said Bonds or the interest thereon remain unpaid.

Section 7. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

ADOPTED BY THE COMMON COUNCIL of the City of Rockport, Indiana, on this 5th day of December, 1998.

ROCKPORT COMMON COUNCIL

Presiding Officer

Attest:

Clerk-Treasurer

Presented by me to the Mayor of the City of Rockport, Indiana, on this 5th day of December, 1998,
at _____ o'clock _____ a.m.

Clerk-Treasurer

Approved and signed by me on this 5th day of December, 1998.

Mayor