

**ORDINANCE NO. 2011-18**

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF REVENUE REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 (THE "BONDS"); THE BONDS ARE BEING ISSUED FOR THE PURPOSE OF REFUNDING THREE OUTSTANDING SERIES OF VARIABLE RATE DEMAND REVENUE BONDS, SERIES 1997 A, SERIES 1998 A AND SERIES 1999 A (AK STEEL CORPORATION PROJECT) ISSUED BY THE CITY OF ROCKPORT TO PROVIDE LOANS WHICH ASSISTED AK STEEL CORPORATION IN THE FINANCING OF THE COST OF "POLLUTION CONTROL FACILITIES" WITHIN THE MEANING OF INDIANA CODE, 36-7-11.9 AND 12; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF THE BONDS; AUTHORIZING THE EXECUTION, USE AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE DELIVERY OF A BOND PURCHASE AGREEMENT, A TRUST INDENTURE AND A LOAN AGREEMENT WITH RESPECT TO THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the City of Rockport (the "City"), is authorized and empowered by virtue of the laws of the State of Indiana (the "State"), including without limitation, Indiana Code, 36-7-11.9 and 36-7-12, including Indiana Code, 36-7-12-30 (the "Act"), and other authorities mentioned therein, among other things, to (a) issue revenue bonds in order to assist in the financing of costs of "pollution control facilities", as defined in the Act located within the boundaries of the State, (b) issue revenue bonds to refund bonds previously issued by the City for such purpose, (c) enter into a loan agreement with the user of those facilities providing for "revenues" sufficient to pay the principal of and any premium and interest on those revenue bonds, (d) secure those revenue bonds by a trust indenture and by an assignment of those revenues for the benefit of the bondholders, and (e) enact this Ordinance and to enter into the Purchase Agreement, the Indenture and the Agreement, each as hereinafter defined, upon the terms and conditions provided herein and therein; and

WHEREAS, the City, by its ordinances, duly adopted on February 15, 1997, January 17, 1998, and December 5, 1998, approved the Project, as hereinafter defined, as constituting "pollution control facilities" which has been acquired, constructed and installed by the AK Steel Corporation, a Delaware corporation (the "Company"), at its Rockport Works facility (the "Plant") located within the State, and issued its Variable Rate Demand Revenue Bonds, Series 1997 A, 1998 A and 1999 A (AK Steel Corporation Project) (collectively, the "Refunded Bonds"); and

WHEREAS, at the request of the Company, the City has determined to assist the Company in refunding the Refunded Bonds, and to issue for that purpose revenue bonds in the maximum aggregate principal amount of \$30,000,000 to be known as "Revenue Refunding Bonds (AK Steel Corporation Project)", to be issued pursuant to a Trust Indenture (the "Indenture") between the City and Wells Fargo Bank, National Association, or such other bank approved by the City, as Trustee (the "Trustee"), and to lend the proceeds thereof to the

Company pursuant to a Loan Agreement, between the Company and the City (the "Loan Agreement");

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

SECTION 1. DEFINITIONS. In addition to the words and terms defined elsewhere in this Ordinance or in the recitals above, or by reference to the Indenture, the Agreement or otherwise, the following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another meaning or intent:

"Bond Fund" means the separate Bond Fund created in the Indenture:

"Code" means the Internal Revenue Code of 1986, as amended from time to time. References to the Code and Sections of the Code include relevant applicable regulations and proposed regulations thereunder and any successor provisions to those Sections, regulations or proposed regulations and, in addition, all applicable official rulings and judicial determinations under the foregoing applicable to the Bonds.

"Interest Payment Date" means Interest Payment Date as defined in the Indenture.

"Offering Document" means the Official Statement for the Bonds, authorized by Section 5 of this Ordinance.

"Original Purchaser" means Wells Fargo Bank, National Association, as the underwriter and representative of underwriters identified in the Purchase Agreement with respect to the Bonds.

"Project" means the Project as described in Exhibit A to the Agreement.

"Purchase Agreement" means the Bond Purchase Agreement, to be approved by the Company and, entered into between the City and the Original Purchaser, providing for the purchase of the Bonds from the City by the Original Purchaser.

"Revenues" means (a) the Loan Payments, as defined in the Agreements, (b) all other moneys received or to be received by the City or the Trustee in respect of repayment of the loan including, without limitation, all moneys and investments in the Bond Fund, and (c) all income and profit from the investment of the foregoing moneys. The term "Revenues" does not include any moneys or investments in the Rebate Fund, if any, or the Purchase Fund established pursuant to the Indenture.

SECTION 2. DETERMINATIONS OF THE CITY. The City has heretofore made the determinations set forth in Section 1 of Ordinance No. 97-1 duly adopted on February 15, 1997, Ordinance No. 1998-1 duly adopted on January 17, 1998, and Ordinance No. 1998-7, duly adopted on December 5, 1998, which determinations are hereby confirmed, and the City further hereby determines that: (a) the Project qualified and qualifies as "pollution control facilities" as defined in the Act; (b) the Project is consistent with the purposes of the Act particularly promoting the public policy of the State as stated in the Act; and (c) the provision of loan

assistance to the Company in the refunding of the Refunded Bonds, will require the issuance, sale and delivery of the Bonds. Further, the Issuer expressly finds and determines that the issuance of the Bonds to refund the Refunded Bonds is to the benefit of the health and general welfare of the City.

SECTION 3. AUTHORIZATION OF THE BONDS. The City determines it to be necessary to, and the City shall, issue, sell and deliver, as provided and authorized herein and in the Indenture and pursuant to the authority of the Act, the Bonds in the maximum aggregate principal amount of \$30,000,000 for the purpose of making a loan to the Company to assist the Company in the financing the costs of the Project. The Bonds shall be designated "City of Rockport, Indiana Revenue Refunding Bonds, Series 2012-A (AK Steel Corporation Project), or such other designation as specified in the Indenture, and shall be executed by the manual or facsimile signatures of the Mayor and the Clerk-Treasurer of the City which are hereby authorized and directed to be signed or printed on the face of the Bonds and the facsimile seal of the City is hereby adopted and authorized to be imprinted thereon.

SECTION 4. TERMS AND PROVISIONS OF BONDS. The Bonds (i) shall be issued only in fully registered form, substantially in the form set forth in the Indenture; (ii) shall be exchangeable for the Bonds of authorized denominations, as provided in the Indenture; (iii) shall be numbered from R-1 upwards or in such other manner as the Trustee may direct; (iv) shall be in such authorized denominations as are permitted by the Indenture; (v) shall be subject to optional and mandatory redemption, and optional and mandatory tender for purchase, in the amounts, upon the conditions, and at the times and prices set forth in the Indenture; (vi) shall be payable in such manner and at such time or times and at such place or places as set forth in the Indenture; (vii) shall be dated as of the date of delivery (or such other date not later than March 31, 2012, as specified in the Indenture) and (viii) shall mature on June 1, 2024 or such other date not later than thirty-five years from the date of the Bonds as provided in the Indenture; provided however that, pursuant to the provisions of the Indenture, the Bonds shall be initially issued to the Depository for use in a Book-Entry System (as such terms are defined in the Indenture).

Each Bond shall bear interest for a particular Rate Mode (being a Commercial Paper Rate Mode, Daily Rate Mode, Auction Mode, Weekly Rate Mode, Semi-Annual Rate Mode, Annual Rate Mode, Two-Year Rate Mode, Three-Year Rate Mode, Five-Year Rate Mode and Long Term Rate Mode of a particular duration, all as defined and provided for in the Indenture), which initial Rate Mode or Modes shall be designated and set forth in the Indenture (and, the Interest Payment Dates with respect thereto and any particular optional redemption provisions with respect thereto shall also be set forth in the Indenture), until any such Rate Mode is converted to another Rate Mode, all as provided for and in accordance with the Indenture, with the interest rate for all Rate Modes being that rate either determined from time to time by the Remarketing Agent (as described below) pursuant to and in accordance with the Indenture or as otherwise provided for in the Indenture should such rate not be determined by the Remarketing Agent at any particular time and in any event not exceeding the Maximum Interest Rate for each Series as defined in the Indenture. The Bonds shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date as provided in Section 4(vii) hereof, and such interest shall be payable on an Interest Payment Date.

In the event the Company determines that in connection with the original issuance of the Bonds that the obtaining of a Letter of Credit as defined in the Indenture, or the obtaining of a liquidity facility, standby bond purchase agreement or similar facility to assure the payment of the purchase price of the Bonds upon any tender pursuant to the Indenture (collectively, the "Enhancement Facility") will result in a lower interest rate on the Bonds at the time of their original issuance and the Company wishes to so proceed and it has agreed to pay the expenses and cost of obtaining any such Enhancement Facility, then the Indenture shall determine that such Enhancement Facility shall be obtained.

SECTION 5. SALE OF BONDS. The Bonds are being sold to the Original Purchaser in accordance with the Purchase Agreement, at a purchase price to be specified therein, which price shall not be less than 97% of the principal amount thereof, plus any accrued interest to the date of delivery, if any.

The Mayor and the Clerk-Treasurer of the City or any one of them acting alone or together with any other of them, are authorized and directed, for and in the name and on behalf of the City, to make the necessary arrangements with the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Bonds to the Original Purchaser and to take all steps necessary to effect due execution, authentication and delivery to the Original Purchaser of the Bonds under the terms of this Ordinance, the Indenture and the Purchase Agreement and to take such actions as may be necessary to obtain any Enhancement Facility as may be determined in the Indenture. It is determined by the City that the terms of the Bonds and of the award thereof, including the purchase price thereof determined as described in this Section, all as authorized in this Ordinance and the Indenture, are in the best interests of the City and are in compliance with all legal requirements.

The use and distribution of a preliminary and final Official Statement with respect to the Bonds, substantially in the form of the draft Official Statement now on file with the City, and the execution, use and distribution of any amendments or supplements thereto are authorized and approved hereby. The Mayor, or, in his absence, the Clerk-Treasurer of the City, is hereby authorized to execute the final Official Statement in substantially the form of the Official Statement heretofore presented to the City with such modifications, changes and supplements necessary or desirable for the purposes thereof as the Mayor and counsel to the City shall approve (such approval to be evidenced by the signature of the Mayor). The City has not confirmed, and assumes no responsibility for, the accuracy, sufficiency or fairness of any statements (i) in the Official Statement or any supplements thereto, other than the statements and information therein relating to the City under the caption "THE ISSUER" or "THE ISSUERS", as applicable, or (ii) in any reports, financial information, offering or disclosure documents or other information in any way relating to the Project, the Company, the Depository, the Original Purchaser or the provider of any Enhancement Facility.

SECTION 6. ALLOCATION OF PROCEEDS OF THE BONDS. The proceeds from the sale of the Bonds shall be deposited and credited to the Trustee for the Refunded Bonds and used in accordance with the terms of the Agreement and Indenture.

SECTION 7. SECURITY FOR THE BONDS. To the extent provided in, and except as otherwise permitted under the Indenture, the Bonds shall be equally and ratably payable solely

from the Revenues. The Bonds and the respective bond service charges, shall be secured by the Indenture, and by (a) an absolute and irrevocable assignment to the Trustee, its successors in trust and its assigns forever, of (1) all right, title and interest of the City in and to all moneys and investments (including, without limitation, the proceeds of the Letter of Credit, if any) in the Credit Facility Account in the Bond Fund and (2) all of the City's rights and remedies under the Agreement (except for the rights of the City to be indemnified and paid costs, fee and expense), and (b) the granting of a security interest to the Trustee, its successors in trust and its assigns-forever, in all of the City's rights to and interest in the Revenues including, without limitation, all Loan Payments and other amounts receivable by or on behalf of the City under the Agreement in respect of repayment of the loan (other than the Credit Facility Account, all moneys and investments therein and the proceeds of the Credit Facility, all as defined in the Indenture).

Anything in this Ordinance, the Bonds or the Indenture to the contrary notwithstanding, the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the City, the State or any political subdivision thereof and the registered owners of the Bonds shall have no right to have taxes levied by the General Assembly of the State or the taxing authority of any political subdivision of the State for the payment of the principal of or interest or any premium on the Bonds but such Bonds are payable solely from the Revenues, and the Bonds shall contain a statement to that effect and to the effect that the Bonds are payable solely from the Revenues. Nothing herein or in the Indenture, however, shall be deemed to prohibit the City, 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 the Indenture, this Ordinance or any of the Bonds.

**SECTION 8. COVENANTS AND AGREEMENTS OF CITY.** In addition to the other covenants and agreements of the City in this Ordinance and the Indenture, the City hereby makes the following covenants and agreements:

(a) **Arbitrage Provisions and Information Return.** The City covenants that it will in the Agreement require the Company to restrict the use of the proceeds of such Bonds in such manner and to such extent as may be necessary so that such Bonds will not constitute arbitrage bonds under Section 148 of the Code.

The Mayor or the Clerk-Treasurer of the City and any other officer having responsibility for the issuance of the Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or agent of or consultant to the City, or in conjunction with the Company or any officer, employee or agent of or consultant to the Company, to give in connection with the original issuance of the bonds and as may be necessary in connection with any change in the Interest Rate Mode or Term Rate Mode for the Bonds or the obtaining of any Letter of Credit for the Bonds:

(i) an appropriate certificate of the City, for inclusion in any transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all of the proceeds of the Bonds, the facts, circumstances and estimates on which those expectations are based and other facts and circumstances relevant to the tax treatment of interest on the Bonds, as provided by the Company, all as

of the date of delivery of and payment for the Bonds or thereafter as of the date of such change in the Interest Rate Mode or Term Rate Mode for the Bonds or the obtaining of any Credit Facility; and

(ii) the statement setting forth the information required by Section 149(e) of the Code, which shall be based on the relevant information provided by the Company including an appropriate certificate, if required, setting forth information regarding the volume cap applicable to the City for use in obtaining the certificate required by Section 149(e)(2)(F) of the Code.

The City covenants that it will (i) take or require to be taken all actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (ii) not take or authorize to be taken any actions that would adversely affect that exclusion under the provisions of the Code. The Clerk-Treasurer and other appropriate officers are hereby authorized and directed to take any and all actions and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

In its performance of these covenants and other covenants of the City pertaining to federal income tax laws, the City may rely in good faith upon the advice of nationally recognized bond counsel which is in writing and is provided to the Trustee.

(b) Transcript of Proceedings. The Clerk-Treasurer or other appropriate officer of the City, shall furnish to the Original Purchaser a true transcript of proceedings, certified by the Clerk-Treasurer or other officer, of (i) all proceedings had with reference to the issuance of the Bonds and (ii) any other information from the records of the City which may be necessary or appropriate to determine the regularity and validity of the issuance of the Bonds.

SECTION 9. APPROVAL OF PURCHASE AGREEMENT, INDENTURE, AGREEMENT AND DEPOSITORY LETTER. To provide for the issuance and sale of the Bonds and the consummation of the transactions contemplated herein and therein, the Mayor and the Clerk-Treasurer of the City, or any one of them acting alone or together with any other of them, are authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Purchase Agreement, in substantially the forms submitted to and now on file with the City; to execute and deliver the Indenture and the Agreement, each in substantially the forms submitted to and now on file with the City be dated as of such date as specified in the Indenture, together with such changes thereto as are not substantially adverse to the City and as may be necessary in order to obtain any Enhancement Facility or to obtain a rating on the Bonds and to execute and deliver, if required by the Depository, one or more letters addressed to the Depository relating to the establishment of the Book-Entry System for the Bonds (the "Depository Letter"), substantially in the form of the Depository Letter previously on file with the City. Where appropriate, the Clerk-Treasurer, or other appropriate officer, is hereby authorized to affix the seal of the City to and to attest to or acknowledge those instruments. Those instruments are approved with changes therein not inconsistent with this Ordinance and not substantially adverse to the City and which are permitted by the Act, and shall be approved by the officer or officers executing the Purchase Agreement, the Indenture, the Agreement and the Depository Letter; provided, that the approval of those changes by those officers, and their

character as not being substantially adverse to the City, shall be evidenced conclusively by their acceptance or execution of those instruments.

SECTION 10. OTHER DOCUMENTS. The Mayor and the Clerk-Treasurer of the City, or any one of them acting alone or together with any other of them, are authorized and directed, for and in the name and on behalf of the City, to execute any certifications, federal income tax compliance or regulatory agreements or certificates, financing statements, assignments, and other instruments, or to take any and all such other actions, which are necessary or appropriate to perfect the assignments set forth in the Indenture and to consummate the transactions contemplated in this Ordinance, the Indenture, the Agreement and the Purchase Agreement including, without limitation, the issuance of the Bonds, and any actions which may be necessary to satisfy the requirements of SEC Rule 15c212, and any such action heretofore taken are in all respects ratified, authorized, confirmed and approved. In accordance with the provisions of I.C. 36-1-5-4, two copies of the Official Statement, the Indenture, the Agreement and the Purchase Agreement are on file in the office of the Clerk-Treasurer for public inspection.

SECTION 11. APPOINTMENT OF REMARKETING AGENT. Pursuant to the request of the Company, Wells Fargo Bank, National Association (including any successor thereto or change in the name thereof prior to the original issuance of the Bonds) is hereby appointed as a Remarketing Agent for the Bonds pursuant to Section 8.7 of the Indenture.


SECTION 12. RETENTION OF COUNSEL. The City acknowledges that the Company has retained the law firm of Frost Brown Todd LLC ("FBT") to provide legal services as bond counsel. FBT also serves as special corporate counsel to the Company on certain matters from time to time. The City hereby consents to, and waives any conflict of interest that might be asserted with respect to, FBT's representation of the Company as special corporate counsel and FBT's role as bond counsel, both in connection with the issuance and delivery of the Bonds.

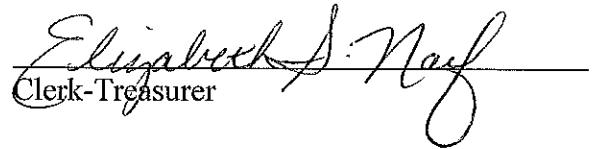
SECTION 13. PUBLIC APPROVAL. The provisions of this Ordinance shall constitute the public approval required by Section 147(f) of the Code, and the Ordinance and the Trust Indenture securing the Bonds shall constitute a contract binding between the City and the owners of the Bonds, and after the issuance 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.

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SECTION 14. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Adopted: November 17, 2011

  
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Mayor

  
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Clerk-Treasurer

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