



Ohio Revised Code Section 349.08 Issuing bonds.

Effective: October 4, 1972

Legislation: House Bill 1063 - 109th General Assembly

A new community authority may, from time to time, issue community authority bonds and notes of the authority in such principal amounts as, in the opinion of the board of trustees of the authority, are necessary for the purposes of paying all or any part of the cost of land acquisition, land development, or the acquisition or construction of community facilities or parts thereof. The authority may, from time to time, issue renewal notes, issue bonds to pay such notes and, whenever it considers refunding expedient, refund any bonds by the issuance of community authority refunding bonds, whether the bonds to be refunded have or have not matured, and issue bonds partly to refund bonds then outstanding and partly for any other authorized purpose. The refunding bonds shall be sold and the proceeds applied, to the extent necessary, to the purchase, redemption, or payment of the bonds to be refunded. Except as may otherwise be expressly provided by the board of trustees, every issue of its community authority bonds or notes shall be obligations of the authority payable out of the income source of the authority which is pledged for such payment, without preference or priority of the first bonds issued, subject only to any agreements with the holders or guarantors of particular bonds or notes pledging any particular income source. Such pledge shall be valid and binding from the time the pledge is made and the income source so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority.

Whether or not the bonds or notes are of such form or character as to be negotiable instruments, the bonds or notes shall have all the qualities and incidents of negotiable instruments, subject only to the provisions of the bonds or notes for registration.

The bonds and notes shall be authorized by resolution of the board of trustees, shall bear such date or dates, and shall mature at such time or times, and in the case of any such bond not exceeding forty years from the date of issue, as such resolution or resolutions may provide. The bonds and notes shall



bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be payable in such medium of payment, at such place or places and be subject to such terms of redemption as the board may authorize. The bonds and notes may be sold by the authority, at public or private sale, at or not less than such price or prices as the board determines. The bonds and notes shall be executed by two officers of the authority as provided in the resolution authorizing the same, either or both of whom may use a facsimile signature, the official seal of the authority or a facsimile thereof shall be affixed thereto or printed thereon and attested, manually or by facsimile signature, by the secretary of the authority, and any coupons attached thereto shall bear the signature or facsimile signature of one officer of the authority as provided in the authorizing resolution. In case any officer whose signature, or a facsimile of whose signature, appears on any bonds, notes, or coupons ceases to be such officer before delivery of bonds or notes, such signature or facsimile signature nevertheless is sufficient for all purposes the same as if he had remained in office until such delivery and, in case the seal of the district has changed after a facsimile has been imprinted on such bonds or notes, such facsimile seal will continue to be sufficient for all purposes.

Any resolution authorizing any bonds or notes or any issue thereof may contain provisions, subject to such agreements with bondholders or noteholders or guarantors as may then exist, which provisions shall be a part of the contract with the holders or guarantors thereof, as to pledging all or any part of the income source of the authority to secure the payment of the bonds or notes or any issue thereof; pledging all or any part of the land to be developed by the developer; the use and disposition of the income source of the authority; a covenant to fix, alter, and collect rentals, user fees and other charges so that the pledged income source and other security will be sufficient to pay the cost of operation, maintenance, and repairs, pay principal of and interest on bonds or notes secured by the pledge of such income source and provide such reserves as may be required by the applicable resolution or trust agreement; the setting aside of reserve funds, sinking funds, replacement and improvement funds, or other special funds and the regulation and disposition thereof; the crediting of the proceeds of the sale of bonds or notes to or among the funds referred to or provided for in the resolution authorizing the issuance of the bonds or notes; the use, lease, sale, or other disposition of any part of land or community facilities or any other assets of the authority; limitations on the purpose to which the proceeds of sale of bonds or notes may be applied and pledging such proceeds to secure the payment of the bonds or notes or of any issue thereof; as to notes issued in anticipation of the issuance of community authority bonds, the agreement of the



authority to do all things necessary for the authorization, issuance, and sale of such bonds in such amounts as may be necessary for the timely retirement of such notes; limitations on the issuance of additional bonds or notes; the terms upon which additional bonds or notes may be issued and secured; the refunding of outstanding bonds or notes; the procedure, if any, by which the terms of any contract with bondholders or noteholders or guarantors may be amended or abrogated, the amount of bonds or notes the holders or guarantors of which must consent thereto, and the manner in which such consent may be given; limitations on the amount of moneys which may be expended by the authority for operating, administrative, or other expenses of the authority; securing any bonds or notes by a trust agreement or indenture of mortgage in accordance with section 349.10 of the Revised Code; and any other matters, of like or different character, which in any way affect the security or protection of the bonds or notes.

Neither the members of the board of trustees of the new community authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.