

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES, IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$500,000, IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO REFUND A PORTION OF THE 2010 MATURITY OF THE VILLAGE'S OUTSTANDING NOTES ISSUED TO PAY COSTS OF ACQUIRING REAL ESTATE, RECONSTRUCTING BRECKSVILLE ROAD, AND CONSTRUCTING THE ADMINISTRATION BUILDING; AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the Council of the Village of Richfield, State of Ohio:

Section 1. Findings and Determinations. This Council finds and determines the following matters (capitalized terms not defined in the recitals are defined in Section 13):

- (a) The Village has previously authorized and issued the Outstanding Notes. The Outstanding Notes were issued to pay the costs of the Projects.
- (b) It is necessary for the Village to issue the Bonds to pay the costs of the Projects. It is necessary to issue the Series 2010 Notes in anticipation of the Bonds for the purpose of (1) refunding a portion of the 2010 principal maturity of the Outstanding Notes, and (2) paying the Financing Costs of the Series 2010 Notes.
- (c) The Director of Finance has certified to this Council the maximum maturity of the Bonds and notes issued in anticipation of the Bonds.
- (d) All acts and conditions necessary to be performed by the Village or to have been met for the issuance of the Series 2010 Notes in order to make them legal, valid, and binding general obligations of the Village, have been performed and met, or will have been performed and met, at the time of delivery of the Series 2010 Notes, as required by law.
- (e) No statutory or constitutional limitation of indebtedness or taxation will be exceeded by the issuance of the Series 2010 Notes.
- (f) All formal actions of this Council relating to the enactment of this ordinance were taken in an open meeting of this Council, and 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 Section 121.22, Ohio Revised Code.

Section 2. Bond Terms. The Bonds will be in the presently estimated principal amount of \$500,000, will mature serially in substantially equal amounts over a period of 5 years, and will bear interest at an estimated rate of 5.0%. The Bonds will be dated approximately June 1, 2020 and the first principal maturity will be December 1, 2021. They will be payable as to

Debt Charges from General Fund revenues. If those revenues are insufficient, Debt Charges on the Bonds will be payable from the proceeds of an ad valorem tax to be levied on all property within the Village, subject to the 10-mill limitation imposed by Section 5705.02, Revised Code.

Section 3. Note Authorization and Terms. This Council authorizes the issuance of the Series 2010 Notes for the purpose described in Section 1(b). The Series 2010 Notes will have the following terms:

- (a) **Amount.** The Series 2010 Notes will be issued in the principal amount of \$500,000 or any lesser principal amount as determined by the Finance Director in the Certificate of Award.
- (b) **Date.** The Series 2010 Notes will be dated the Closing Date.
- (c) **Maturity.** The Series 2010 Notes will be payable as to principal in serial installments on each Principal Payment Date in the following amounts:

Year	Amount
2014	\$70,000
2015	\$70,000
2016	\$70,000
2017	\$70,000
2018	\$70,000
2019	\$70,000
2020	\$80,000

The Finance Director may adjust the principal payment schedule shown above by increasing or decreasing the principal amount of principal installments of the Series 2010 Notes payable on any one or more of the Principal Payment Dates. The Finance Director must set forth any adjustment of the principal payment schedule in the Certificate of Award.

- (d) **Prepayment before Stated Maturity.** Unless otherwise determined in the Certificate of Award, the Series 2010 Notes will be subject to prepayment, in whole or in part, on any date at a prepayment price of 100% of the principal amount being prepaid, without premium or penalty.
- (e) **Interest.** The Series 2010 Notes will bear interest in a floating interest rate structure as described in this paragraph. The maximum interest rate on the Series 2010 Notes is 2.20% per annum. The initial interest rate on the Series 2010 Notes

will be established on the Closing Date and will be in effect until the first Redetermination Date. The interest rate for the Series 2010 Notes will be reset on each Redetermination Date, and the interest rate set on each Redetermination Date will remain in effect until the following Redetermination Date. The interest rate determined on the Closing Date and each Redetermination Date will be 100% of The Bond Buyer One-Year Note Index for the week preceding the Closing Date or the Redetermination Date. If that index is no longer published, the Director of Finance must select another index that most closely approximates The Bond Buyer One-Year Note Index, subject to the maximum rate set forth above. The Finance Director must set forth the initial rate of interest on the Series 2010 Notes in the Certificate of Award.

- (f) **Interest Payment.** Interest on the Series 2010 Notes will be payable on each Interest Payment Date. Interest payable on each Interest Payment Date will be for the period beginning on the previous Interest Payment Date—or, for the first Interest Payment Date, beginning on the Closing Date—and ending on the day before the Interest Payment Date. Interest payable on the final Interest Payment Date will be for all interest accrued but unpaid on the Series 2010 Notes until final payment of principal on the final Principal Payment Date.
- (g) **Form, Numbering and Denomination.** The Series 2010 Notes will be issued in fully registered form. The purpose for which the Series 2010 Notes are issued and that they are issued in accordance with this ordinance must be stated on the face of the Series 2010 Notes. The Series 2010 Notes will be designated “General Obligation Various Purpose Bond Anticipation Notes, Series 2010,” unless otherwise designated in the Certificate of Award.

Section 4. Payment. The Debt Service on the Notes will be payable in lawful money of the United States of America without deduction for the services of the Registrar as paying agent. All such payments will be valid and effectual to satisfy and discharge the Village’s liability on the Series 2010 Notes to the extent of the amounts paid.

Section 5. Signing and Authentication of the Notes. The Series 2010 Notes must be signed on behalf of the Village by the Mayor and the Director of Finance. Both of those signatures may be facsimiles. The Series 2010 Notes will be authenticated by the Registrar.

This Council appoints the Director of Finance to act as Registrar for the Series 2010 Notes. The Series 2010 Notes will not be valid or obligatory for any purpose and will not be entitled to any security or benefit under this ordinance unless and until the certificate of authentication on that 2010 Note is signed by the Registrar. Authentication by the Registrar will be conclusive evidence that a 2010 Note is so authenticated has been duly issued, signed, and delivered under this ordinance and is entitled to the security and benefit of this ordinance.

Section 6. Registration. So long as any of the Series 2010 Notes remain outstanding, the Village must cause the Registrar to maintain the Register. The person in whose name a Note is registered on the Register will be regarded as the absolute owner of that Note for all purposes

of this ordinance, and payment of the Debt Service on that 2010 Note will be made only to or upon the order of that person.

Section 7. Sale of the Series 2010 Notes. The Series 2010 Notes will be sold to the Village, for investment by the Village's Fund E02—Sewer Operations Fund. This Council determines, in accordance with Section 731.56, Revised Code, that the money in the Sewer Operations Fund constitutes money in the treasury of the Village that will not be required to be used by the Village for a period of six months or more. The Series 2010 Notes will be sold at a purchase price of 100% of the principal amount, which this Council determines is the current market value of the Series 2010 Notes.

The Director of Finance must state in the Certificate of Award the principal amount of the Series 2010 Notes, the initial interest rate on the Series 2010 Notes; and any other terms required by this ordinance. The Director of Finance may state in the Certificate of Award any changes in the principal payment schedule, the maturity date, the designation of the Series 2010 Notes, and any other terms authorized by this ordinance.

This Council authorizes and directs the Director of Finance to sign and deliver the Certificate of Award and to cause the Series 2010 Notes to be prepared, signed, and delivered, together with a true transcript of proceedings of the issuance of the Series 2010 Notes, upon payment of the purchase price.

Section 8. Financing Costs. The Village retains the professional services and authorizes the payment of the Financing Costs for the Series 2010 Notes, as provided in this Section 8.

- (a) **Bond Counsel.** The Village retains the legal services of Vorys, Sater, Seymour and Pease LLP, as bond counsel for the Notes. The legal services will be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Series 2010 Notes and rendering legal opinions upon the delivery of the Series 2010 Notes. Bond Counsel must render those services to the Village in an attorney-client relationship. Bond Counsel must be paid just and reasonable compensation for those legal services in accordance with its fee quote, and will be reimbursed for actual out-of-pocket expenses it incurs in rendering those legal services.
- (b) **Limits on Authority of Service Providers.** In rendering the services described above, as independent contractors, those service providers must not exercise any administrative discretion on behalf of the Village in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the Village, or any other political subdivision, or the execution of public trusts.
- (c) **Payment of Financing Costs.** This Council authorizes and approves the expenditure of the amounts necessary to pay those Financing Costs specifically authorized above and all other necessary Financing Costs in connection with the issuance and sale of the Series 2010 Notes. This Council authorizes and directs the Director of Finance to provide for the payment of those Financing Costs from the

proceeds of the Series 2010 Notes to the extent available, and otherwise, from any other funds lawfully available and appropriated for the purpose.

Section 9. Deposit and Use of Proceeds. The proceeds from the sale of the Series 2010 Notes must be deposited and used as provided in this Section 9. This Council appropriates those proceeds for the following purposes and those proceeds must be used for those purposes:

- (a) Any accrued interest or premium received on the sale of the Series 2010 Notes must be deposited in the Bond Retirement Fund of the Village and be used for the payment of interest on the Series 2010 Notes at the first Interest Payment Date.
- (b) The amount of the proceeds of the Series 2010 Notes sufficient to pay the Refunded Outstanding Notes must be deposited in the Bond Retirement Fund of the Village and, together with any other money of the Village available for the purpose, used to pay the Refunded Outstanding Notes on October 22, 2010.
- (c) The amount necessary to pay any Financing Costs of the Series 2010 Notes, to the extent that the Director of Finance determines to pay those Financing Costs from the proceeds of the Series 2010 Notes, must be deposited in the proper fund or funds and used to pay, or reimburse the Village for, those Financing Costs.

Section 10. Security and Sources of Payment. The Series 2010 Notes will be general obligations of the Village.

- (a) This Council pledges to the payment of Debt Service on the Notes the full faith and credit of the Village including, without limitation:
 - (1) The general taxing power of the Village, including the power to levy taxes within the ten-mill limitation, as defined in Section 5705.02, Revised Code.
 - (2) The proceeds to be received from the sale of the Bonds or of any notes issued to refund or renew the Series 2010 Notes.
 - (3) Any money remaining from the sale of the Series 2010 Notes after the payment of the Financing Costs of the Notes and not required to pay the Refunded Outstanding Notes.
- (b) The Debt Service on the Series 2010 Notes must be paid at their maturity from any of the amounts set forth above pledged to their payment or any funds of the Village otherwise available for their payment.
- (c) During the years while the Series 2010 Notes and any notes issued to refund or renew the Series 2010 Notes are outstanding, there will be levied on all the taxable property in the Village, in addition to all other taxes, a direct tax annually, not less than the tax that would have been levied had the Bonds been issued without the prior issue of the Series 2010 Notes. The tax will be and is ordered to

be computed, certified, levied, and extended upon the tax list and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of those years are computed, certified, levied, extended, and collected. The tax will be placed before and in preference to all other items and for its full amount. The money derived from that tax levy must be placed in the Bond Retirement Fund of the Village and is irrevocably pledged for the payment of the Debt Service on the Series 2010 Notes, any notes issues to refund or renew the Series 2010 Notes, and the Bonds when and as that Debt Service falls due. If any of the following amounts are available for the payment of the Series 2010 Notes and are appropriated for that purpose, the amount of the tax levy in each year will be reduced by the amount available and appropriated:

- (1) General Fund revenues.
- (2) Any surplus in the Bond Retirement Fund.
- (3) Proceeds received from the sale of the Series 2010 Notes.
- (4) Any other money lawfully available to the Village.

Section 11. Signing and Delivery of Notes and Documents. This Council authorizes and directs the Mayor and the Director of Finance, to sign and authenticate the Series 2010 Notes in accordance with Section 5 of this ordinance.

- (a) This Council authorizes and directs the Director of Finance to sign and deliver, on behalf of the Village, in her capacity as fiscal officer of the Village
 - (1) Any certificates required under Section 5705.41, Revised Code, for any of the agreements in connection with the Notes.
 - (2) The statements of indebtedness provided for in Section 133.33(B), Revised Code.
- (b) This Council authorizes and directs the Mayor, the Director of Finance, and any other Village official
 - (1) To sign and deliver any certificates, instruments and other documents that the official considers necessary or appropriate in connection with the issuance and sale of the Series 2010 Notes, and that are not inconsistent with this ordinance; and
 - (2) to take such actions as are necessary or appropriate to consummate the Series 2010 Notes transactions contemplated by this ordinance.

Section 12. Certification to County Fiscal Officer. This Council directs the Director of Finance to file a certified copy of this ordinance and a copy of the Certificate of Award with the County Fiscal Officer.

Section 13. Definitions. The following are defined terms in this Note Ordinance:

“Bonds” means the Village’s general obligation bonds, as authorized in Section 2 of this ordinance.

“Certificate of Award” means the certificate authorized by Section 7 of this ordinance, setting forth the terms and other provisions of the Series 2010 Notes required or authorized by this ordinance.

“Closing Date” means the date of delivery of and payment for the Series 2010 Notes.

“Debt Service” means all amounts due as principal, interest, and any premium on an issue of securities.

“Financing Costs” means any financing costs described in Section 133.01(K), Revised Code.

“Interest Payment Date” means each June 1 and December 1, beginning June 1, 2011.

“Outstanding Notes” means the \$8,970,000 Various Purpose Bond Anticipation Notes, Series 2003, issued to pay the costs of the Projects.

“Principal Payment Date” means June 1 of each year, beginning June 1, 2014.

“Projects” means the acquisition of real estate for construction and for open space preservation, reconstruction of Brecksville Road, and the construction of the Village’s Administration Building improvement.

“Redetermination Date” means the first day of each month, beginning December 1, 2010.

“Refunded Outstanding Notes” means the portion of the Outstanding Notes maturing on October 22, 2010, being refunded by the Series 2010 Notes, as determined by the Director of Finance.

“Register” means all books and records necessary for the registration and transfer of the Series 2010 Notes.

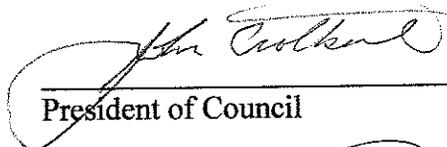
“Registrar” means the Director of Finance of the Village, acting as registrar, paying agent, authenticating agent, and transfer agent for the Series 2010 Notes.

“Series 2010 Notes” means the unvoted, general obligation, bond anticipation notes authorized by this ordinance in Section 3.

Section 15. Statement of Emergency. This Council declares this ordinance to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety of the Village and for the further reason that the prompt issuance of the Series 2010 Notes is necessary to timely pay Debt Service on the Refunded Outstanding Notes.

Section 16. Effective Date. Provided this ordinance receives the affirmative vote of two-thirds of the members of this Council, it will take effect immediately upon its adoption; otherwise it will take effect and be in force at the earliest time permitted by law.

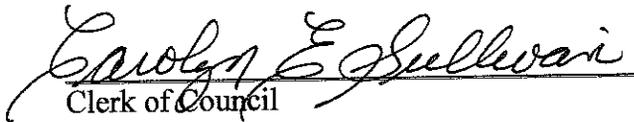
PASSED: 11/1/10


President of Council


Mayor

Dated: 11/2/10

ATTEST:


Clerk of Council