

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF \$150,000 BONDS FOR THE PURPOSE OF CONSTRUCTING A LIBRARY BUILDING AND IMPROVING THE SITE THEREOF AND DECLARING AN EMERGENCY.

WHEREAS, at the election held on November 6, 1979, on the question of issuing bonds of the Village in the amount of \$720,000 for the purpose stated in Section 1 and of levying taxes outside the ten-mill limitation to pay the debt charges on those bonds, the requisite majority of those voting on the question voted in favor of it; and

WHEREAS, pursuant to Ordinance No. 12-1989, passed February 21, 1989, a note in anticipation of bonds in the amount of \$200,000, dated April 7, 1989, was issued for the purpose stated in Section 1, to mature on April 6, 1990; and

WHEREAS, this Council finds and determines that the Village should retire the outstanding note with the proceeds of the Bonds described in Section 1 and other funds available to the Village; and

WHEREAS, the Director of Finance as fiscal officer of the Village has certified to this Council that the estimated life or period of usefulness of the improvement described in Section 1 is at least five years and the maximum maturity of the bonds described in Section 1 is fifteen years;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Richfield, Summit County, Ohio, that:

Section 1. It is necessary to issue bonds of this Village in the aggregate principal amount of \$150,000 (the Bonds) for the purpose of constructing a library building and improving the site thereof.

Section 2. The Bonds shall be issued in one lot and only as fully registered bonds, in the denominations of \$5,000 or any integral multiple thereof, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The Bonds shall be dated as of April 1, 1990.

The Bonds shall bear interest at the estimated rate of 6-1/2% per year (computed on a 360-day per year basis), payable on March 1 and September 1 of each year (the Interest Payment Dates), commencing September 1, 1990, until the principal amount has been paid or provided for. If the Bonds are sold bearing a different rate of interest, the Bonds shall bear the rate of interest, not exceeding 8% per year, as specified in the certificate of award providing for the award of the Bonds. The Bonds shall bear interest from the most recent date to

which interest has been paid or provided for or, if no interest has been paid or provided for, from April 1, 1990.

The Bonds shall mature in the amount of \$50,000 on September 1 in each of the years 1991, 1992 and 1993. Those maturities are determined to be in substantially equal annual principal installments.

Section 3. The Bonds shall be signed by the Mayor and the Director of Finance, in the name of the Village and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the denominations and numbers as requested by the original purchaser and approved by the Director of Finance, shall be numbered as determined by the Director of Finance, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this ordinance. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar (as defined in Section 4) as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, this ordinance. The certificate of authentication may be signed by any officer or employee of the Village approved by the Director of Finance. The same person need not sign the certificate of authentication on all of the Bonds.

Section 4. So long as any of the Bonds remain outstanding, the Village will cause to be maintained and kept, at the office of the Director of Finance, as Bond Registrar, all books or other appropriate records necessary for the registration and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of Section 5 hereof, the person in whose name any Bonds shall be registered on the Bond Register shall be regarded as the absolute owner thereof for all purposes of this ordinance. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of that person. Neither the Village nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Bond, including the interest thereon, to the extent of the amount or amounts so paid.

Any Bond, upon presentation and surrender at the office of the Bond Registrar together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in form satisfactory to the Bond Registrar, may be exchanged for Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of those Bonds being surrendered, and bearing interest at the same rate and maturing on the same date.

A Bond may be transferred only on the Bond Register, upon presentation and surrender thereof at the office of the Bond Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in form satisfactory to the Bond Registrar. Upon that transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

In all cases in which Bonds are exchanged or transferred hereunder, the Village shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; provided that the Village and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Village or the Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the requested exchange or transfer. All Bonds issued upon any transfer or exchange shall be valid obligations of the Village, evidencing the same debt, and entitled to the same benefits under this ordinance as the Bonds surrendered for that transfer or exchange. Any Bond surrendered to the Bond Registrar pursuant to this ordinance for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled by the Bond Registrar.

Section 5. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal shall be payable when due upon presentation and surrender of the Bonds at the office of the Bond Registrar. Interest on a Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register

(as defined in Section 4) at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the Record Date).

- Section 6. The Bonds shall be sold at private sale at not less than par and shall be awarded by the Director of Finance in a certificate of award on the basis of the best bid received, determined by net interests cost as referred to in Section 133.30(C)(1)(g) of the Revised Code, all in accordance with law and the provisions of this ordinance. The Director of Finance shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the original purchaser upon payment of the purchase price.
- Section 7. The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.
- Section 8. There shall be levied on all the taxable property in the Village, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be unlimited as to amount or rate, shall be and is ordered computed, certified, levied and extended upon the tax duplicate 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 certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.
- Section 9. The Village covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the Code). The Director of Finance, as the fiscal officer, or any other officer of the Village having responsibility for issuance of the Bonds shall give an appropriate certificate of the Village, for inclusion in the transcript of proceedings for the Bonds, setting forth

the reasonable expectations of the Village regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on the Bonds.

The Village covenants that it (a) will take or cause to be taken such 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 (b) will not take or authorize to be taken any actions that would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Director of Finance and other appropriate officers are authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

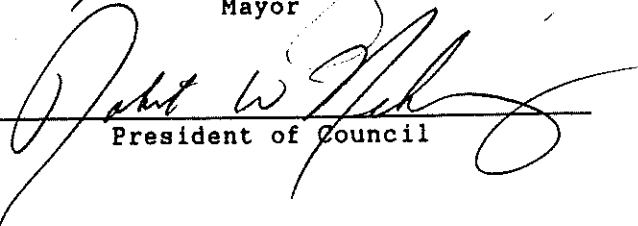
The Village hereby represents that the outstanding note dated April 7, 1989 (the Refunded Obligations) is treated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. The Village hereby covenants that it will redeem the Refunded Obligations from proceeds of, and within 90 days after issuance of, the Bonds, and represents that all other conditions are met for treating the Bonds as "qualified tax-exempt obligations" and as not to be taken into account under subparagraph (D) of Section 265(b)(3) of the Code, without necessity for further designation, by reason of subparagraph (D)(ii) of Section 265(b)(3) of the Code. Further, the Village represents and covenants that, during any time or in any manner as might affect the treatment of the Bonds as "qualified tax-exempt obligations", it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Village further represents that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

- Section 10. The Clerk of Council is directed to deliver a certified copy of this ordinance and of the certificate of award to the County Auditor.
- Section 11. This Council determines that all acts and conditions necessary to be performed by the Village or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Village have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 8) of the Village are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.
- Section 12. 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 13. This ordinance is declared 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 this ordinance is required to be immediately effective in order to issue and sell the Bonds, which is necessary to enable the Village to retire the outstanding note, and thereby preserve its credit; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Approved:

  
\_\_\_\_\_ 20/90

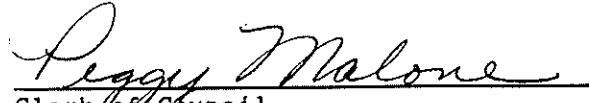
Mayor

  
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President of Council

Passed: 2/20/90

I, the undersigned Clerk of Council of the Village of Richfield, Summit County, Ohio, do hereby certify that the foregoing Ordinance No. 21 - 1990 1990, was duly and regularly passed by the Council of the Village of Richfield, Summit County, Ohio, at a regular meeting of Council on the 20th day of February, 1990.

  
Clerk of Council  
Village of Richfield, Ohio

Approved as to legal form:

  
Director of Law

Posted: 2-21-90