

RESOLUTION NO. 63-2000

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOTES IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$6,890,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS TO PAY COSTS OF CERTAIN CAPITAL PROJECTS, AND DECLARING AN EMERGENCY.

BE IT RESOLVED 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 are defined in Section 15):

- (a) The Finance Director has certified to this Council the maximum maturity of the Bonds and Notes.
- (b) It is necessary to issue the Bonds to pay the costs of the Projects. It is necessary to issue the Series 2000 Notes in anticipation of the issuance of the Bonds, to pay costs of the Projects and to pay Financing Costs of the Series 2000 Notes.
- (c) All acts and conditions necessary to be performed by the Village or to have been met for the issuance of the Series 2000 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 2000 Notes, as required by law.
- (d) No statutory or constitutional limitation of indebtedness or taxation will be exceeded by the issuance of the Series 2000 Notes.
- (e) All formal actions of this Council relating to the enactment of this resolution 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, Revised Code.

Section 2: Bond Terms. The Bonds will be in the presently estimated principal amount of \$6,890,000, will mature serially in substantially equal annual amounts over a period of 20 years, and will bear interest at an estimated rate of 5.75%. The Bonds will be dated approximately June 1, 2007 and the first principal maturity will be December 1, 2008. 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 Terms. The Series 2000 Notes will have the following terms:

- (a) **Amount.** They will be issued in the maximum principal amount of \$6,890,000.
- (b) **Date.** They will be dated the date of their issuance.
- (c) **Maturity.** The final maturity of principal installments on the Series 2000 Notes will be seven years from their date.
- (d) **Interest.** The Series 2000 Notes will bear interest at a rate not to exceed 5.75% per annum. Interest will be calculated on the basis of a 360-day year and twelve 30-day months. The interest rate on the Series 2000 Notes will be determined by the Mayor in the Certificate of Award.
- (e) **Debt Charges.** Debt Charges on the Series 2000 Notes will be payable on each Payment Date. The payment due on each Payment Date will be shown on a schedule attached to the Series 2000 Notes. The schedule of payments will be calculated to provide for yearly payments equal to 1/20 of the initial aggregate principal amount of the Series 2000 Notes plus accrued interest from the previous Payment Date. The final payment on the Series 2000 Notes will be in an amount sufficient to pay all Debt Charges on the Series 2000 Notes.
- (f) **Prepayment before Stated Maturity.** The Series 2000 Notes will be subject to prepayment, in whole or in part, before maturity at any time, and from time to time, at a prepayment price of 100% of the principal amount being prepaid, without premium or penalty.
- (g) **Form, Numbering and Denomination.** The Series 2000 Notes will be issued as one fully registered bond anticipation note. The purpose for which the Series 2000 Notes are issued and that they are issued in accordance with this resolution must be stated on the face of the Series 2000 Notes. They will be designated "Safety Building Notes," or such other or additional designation as determined by the Mayor.

Section 4: Payment. The Debt Charges on the Series 2000 Notes will be payable in lawful money of the United States of America to the Bank on each Payment Date.

Section 5: Signing and Authentication. The Series 2000 Notes will be signed on behalf of the Village by the Mayor and the Finance Director. Both of those signatures may be facsimiles. The Series 2000 Notes will be authenticated by the Finance Director.

This Council appoints the Finance Director to act as registrar, authenticating agent, paying agent and transfer agent (the "Registrar") for the Series 2000 Notes. The Series 2000 Notes will not be valid or obligatory for any purpose and will not be entitled to any security or benefit under this resolution unless and until the certificate of authentication on that Series 2000 Note is signed by the Finance Director as authenticating agent. Authentication by the Finance Director will be

conclusive evidence that a Series 2000 Note so authenticated has been duly issued, executed and delivered under this resolution and is entitled to the security and benefit of this resolution.

Section 6: Registration, Transfer and Exchange.

- (a) **Registrar.** So long as the Series 2000 Notes remain outstanding, the Registrar must maintain and keep the Register at her office. Subject to Section 8(b), the person in whose name a Series 2000 Note is registered on the Register will be regarded as the absolute owner of that Series 2000 Note for all purposes of this resolution, and payment of Debt Charges on that Series 2000 Note will be made only to or on the order of that person. The Village and the Finance Director will not be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All payments of Debt Charges to or on the order of the registered owner will discharge the Village's liability on the Series 2000 Notes, including interest, to the extent of the amount or amounts so paid.
- (b) **Transfer.** A Series 2000 Note may be transferred only on the Register upon presentation and surrender of that Series 2000 Note at the office of the Registrar together with an assignment, signed by the registered owner or by another person legally empowered to execute the assignment, in a form satisfactory to the Registrar. Upon transfer, the Registrar must complete, authenticate and deliver a new Series 2000 Note as requested by the owner equal in the aggregate to the unmatured principal amount of the surrendered Series 2000 Note and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the Village are required, the Finance Director may transfer a Series 2000 Note only after the new Series 2000 Note is signed by the authorized officers of the Village. In all cases of a transferred Series 2000 Note, the authorized officers of the Village will sign and the Finance Director will authenticate and deliver the new Series 2000 Note in accordance with the provisions of this Resolution. The transfer will be without charge to the owner, except that the Village may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to the transfer. The Village may require that those charges, if any, be paid before the procedure is begun for the transfer. Any Series 2000 Note issued upon transfer will be a valid obligation of the Village, evidencing the same debt, and entitled to the same security and benefit under this Resolution, as the Series 2000 Note surrendered upon that transfer. A Series 2000 Note surrendered to the Finance Director for payment or to the Registrar for retirement, replacement or transfer must be canceled by the Finance Director.

Section 7. Sale of the Series 2000 Notes. The Series 2000 Notes will be sold at private sale to the Bank at a purchase price of 100% of the aggregate principal amount of the Series 2000 Notes, plus any accrued interest on the Series 2000 Notes from their date to the date of delivery of

and payment for the Series 2000 Notes. The Series 2000 Notes will be awarded by the Mayor, in accordance with law, the provisions of this resolution and any Purchase Agreement.

The Mayor must state in the Certificate of Award the interest rate on the Notes, the principal amount of the Notes, and any other terms required by this resolution.

The Mayor will sign and deliver the Certificate of Award and will cause the Notes to be prepared and signed and delivered, together with a true transcript of proceedings of the issuance of the Notes, to the Bank upon payment of the purchase price.

The Mayor will sign and deliver, in the name and on behalf of the Village, any Purchase Agreement between the Village and the Bank providing for the sale of the Series 2000 Notes to, and the purchase of the Series 2000 Notes by, the Bank.

Section 8. Financing Costs. The Village retains the professional services and authorizes the payment of the Financing Costs for the Series 2000 Notes, as provided in this Section 8.

- (a) **Bond Counsel.** The Village retains the legal services of Buckingham, Doolittle & Burroughs, LLP, as Bond Counsel for the Series 2000 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 2000 Notes and rendering legal opinions upon the delivery of the Series 2000 Notes. Bond Counsel will render those services to the Village in an attorney-client relationship. Bond Counsel will be paid just and reasonable compensation for those legal services and will be reimbursed for actual out-of-pocket expenses it incurs in rendering those legal services in accordance with its letter of engagement.
- (b) **Ratings and Insurance.** If, in the judgment of the Mayor, the filing of an application for (1) a rating on the Series 2000 Notes by one or more nationally-recognized rating agencies or (2) a policy of insurance from a company or companies to better assure the payment of principal of and interest on the Series 2000 Notes, is in the best interest of and financially advantageous to the Village, this Council authorizes and directs the Mayor to prepare and submit those applications and to provide to each of those agencies or companies the information required.
- (c) **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.
- (d) **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 2000 Notes. This Council authorizes and directs the Finance Director to provide for the payment of those Financing Costs from the proceeds of the Series 2000 Notes to the extent available and, otherwise, from any other funds lawfully available and appropriated for the purpose.

Section 9. Use of Proceeds. The proceeds from the sale of the Series 2000 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 2000 Notes must be deposited in the Bond Retirement Fund of the Village and used for the payment of interest on the Series 2000 Notes at their maturity.
- (b) An amount necessary to pay the Financing Costs of the Series 2000 Notes, to the extent not paid by the Bank in accordance with the Purchase Agreement and to the extent that the Mayor determines to pay those Financing Costs from the proceeds of the Series 2000 Notes, must be deposited in a separate fund and used for the payment of those Financing Costs.
- (c) The remainder of the proceeds of the Series 2000 Notes must be paid into the proper fund or funds and used to pay the costs of the Projects.

Section 10. Security and Source of Payment. The Series 2000 Notes will be general obligations of the Village.

- (a) This Council pledges, to the payment of Debt Charges on the Series 2000 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 10-mill limitation imposed by 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 2000 Notes.
 - (3) Any proceeds received from the sale of the Series 2000 Notes remaining after the payment of the costs of the Projects.
- (b) The Debt Charges on the Series 2000 Notes will be paid at their maturity from any of the amounts pledged to their payment, or any other funds of the Village available for their payment.
- (c) During the years while the Series 2000 Notes and any notes issued to refund or renew the Series 2000 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 2000 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 and is irrevocably pledged for the payment of the Debt Charges on the Series 2000 Notes, any notes issued to refund or renew the Series 2000 Notes, and the Bonds when and as those Debt Charges fall due. If any of the following amounts are available for the payment of the Series 2000 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 from the sale of the Series 2000 Notes.
- (4) Any other money lawfully available to the Village.

Section 12: Federal Tax Matters. The Village covenants that it will take those actions required to maintain the Federal Tax Status of the Series 2000 Notes and that it will not take or permit to be taken any actions that would adversely affect that Federal Tax Status. Without limiting these covenants, the Village specifically covenants as follows:

- (a) **Private Activity Bonds.** The Village will apply the proceeds received from the sale of the Series 2000 Notes to the costs of the Projects and to pay Financing Costs in connection with the Series 2000 Notes. The Village will not permit the use of the Projects by any person, will not secure or derive the money for payment of Debt Charges on the Series 2000 Notes by any property or payments, and will not loan the proceeds of the Series 2000 Notes to any person, all in such manner as to cause the Series 2000 Notes to be "private activity bonds" within the meaning of Section 141(a) of the Code.
- (b) **Arbitrage.** The Village will restrict the use of proceeds of the Series 2000 Notes in such a manner and to such extent as may be necessary, after taking into account reasonable expectations on date of delivery of and payment for the Series 2000 Notes, so that the Series 2000 Notes will not constitute "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations prescribed under that Section. This Council authorizes and directs the Mayor, or any other official having responsibility for issuing the Series 2000 Notes, to execute and deliver a certificate of the Village, alone or in conjunction with any other official, employee or consultant of the Village, for inclusion in the transcript of proceedings for the Series

2000 Notes. That certificate must set forth the reasonable expectations of the Village on the date of the delivery of and payment for the Series 2000 Notes, regarding the amount and use of the proceeds of the Series 2000 Notes, for purposes of Section 148 of the Code and the regulations prescribed under that Section. If required, the Village will limit the yield on any "investment property" (as defined in Section 148(b)(2) of the Code) acquired with the proceeds of the Series 2000 Notes.

- (c) **Arbitrage Rebate.** Unless the gross proceeds of the Series 2000 Notes are expended for the Projects in accordance with one of the spending period exceptions set forth in Treas. Reg. §1.148-7, the Village will pay the amounts required by Section 148(f)(2) of the Code to the United States at the times required by Section 148(f)(3) of the Code. The Village will maintain such books and records and make such calculations and reports as are required to comply with the arbitrage rebate requirements of the Code.
- (d) **Federal Guarantee.** The Village will not permit the use of the Projects, or make loans of the proceeds of the Series 2000 Notes, or invest the proceeds of the Series 2000 Notes in such manner as to cause the Series 2000 Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.
- (e) **Information Reporting.** This Council authorizes and directs the Mayor or any other official of the Village having responsibility for issuing the Series 2000 Notes to sign and file with the Internal Revenue Service a Form 8038-G for the Series 2000 Notes.

Section 13. Execution and Delivery of Notes and Documents. This Council authorizes and directs the Mayor and the Finance Director to sign and authenticate the Series 2000 Notes in accordance with Section 5 of this resolution.

- (a) This Council authorizes the Mayor to sign and deliver the Purchase Agreement, if any, and the Certificate of Award on behalf of the Village. In the absence of the Mayor, this Council authorizes and directs the Finance Director to sign and deliver any Purchase Agreement or the Certificate of Award.
- (b) This Council authorizes and directs the Finance Director to sign and deliver, on behalf of the Village, in his capacity as fiscal officer of the Village, any certificates in accordance with Section 5705.41, Revised Code, required for any of the agreements in connection with the Series 2000 Notes. In the absence of the Finance Director, this Council authorizes and directs the Clerk of Council to sign and deliver any of those certificates.
- (c) This Council authorizes and directs the Mayor, the Finance Director 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 2000 Notes, and that are not inconsistent with this resolution; and
- (2) to take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution.

Section 14. Certification to County Auditor. This Council directs the Finance Director to forward a certified copy of this resolution to the County Auditor and directs the Mayor to forward a copy of the Certificate of Award to the County Auditor.

Section 15. Definitions. Words and terms are used in this resolution with the following meanings:

"Bank" means Bank One, NA.

"Bonds" means the Village's general obligation bonds to be issued for the purpose of paying the costs of the Projects, as authorized in Section 2 of this resolution.

"Certificate of Award" means the certificate authorized by Section 7 of this Resolution, setting forth the terms and other provisions of the Series 2000 Notes required or authorized by this Resolution.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections of the Code include applicable regulations (whether temporary or final) under the Code, and any amendments of, or successor provisions to, those sections or regulations.

"Debt Charges" means all amounts due as principal, interest and any premium on an issue of securities.

"Federal Tax Status" means the status of the interest on the Series 2000 Notes as excludable from gross income tax purposes and not treated as an item of tax preference for purposes of the alternative minimum tax.

"Financing Costs" means any financing costs authorized to be paid by Section 133.01(K), Revised Code.

"Payment Date" means the first day of every month, beginning with the first day of the month following the date of delivery of and payment for the Service 2000 Notes.

"Projects" means the acquisition of real estate, the construction and equipping of new safety-service buildings, the renovation of the existing safety-service building for use as administrative offices and the acquisition, construction and equipment of certain other related capital assets.

“Purchase Agreement” means any Note Purchase Agreement between the Village and the Bank, entered into in accordance with Section 7 of this resolution.

“Register” means all books and records necessary for the registration and transfer of the Series 2000 Notes.

“Series 2000 Notes” means the Village’s notes issued in anticipation of the Bonds, as authorized in Section 3 of this resolution.

Section 16. Statement of Emergency. This resolution 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 resolution is required to be immediately effective in order to begin the construction and acquisition of the Projects, which are urgently required to provide adequate police protection and fire prevention.

Section 17. Effective Date. Provided this resolution 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 provided by law.

Passed: June 6, 2000

ATTEST:

Carole Gibson
Clerk of Council

Michael Higgins
President of Council

Donald S. Larson
Donald Larson, Village Mayor

The undersigned Clerk of Council, Village of Richfield, Ohio, certifies that this is a true and accurate copy of Resolution No. 63-2000 of the Village of Richfield, Ohio, as duly passed by the Village Council.

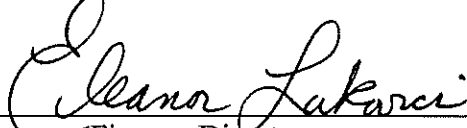
Carole Gibson
Clerk of Council

**FISCAL OFFICER'S CERTIFICATE
AS TO MAXIMUM MATURITY
OF BONDS AND NOTES**

TO THE COUNCIL OF THE VILLAGE OF RICHFIELD, OHIO

As Fiscal Officer of the Village of Richfield, Ohio, I certify, in connection with your proposed issue of notes (the "Series 2000 Notes") in anticipation of the issuance of bonds (the "Bonds"), to pay the cost of the acquisition of real estate, the construction and equipping of new safety-service buildings, the renovation of the existing safety-service building for use as administrative offices and the acquisition, construction and equipment of certain other related capital assets (the "Projects") as follows:

1. All the permanent improvements included in the Projects have an estimated life or period of usefulness of at least five years.
2. The maximum maturity of the Bonds is:
 - A. 25 years for the portion of the Bonds allocable to the new safety buildings and renovation of the existing safety building (\$5,200,000). This is my estimate of the life or period of usefulness of those assets, determined in accordance with Section 133.20 (C), Revised Code.
 - B. 10 years, as specified in Section 133.20(B)(6), Revised Code, for the portion of the Bonds allocable to furniture, equipment and furnishings (\$190,000);
 - C. 30 years, as specified in Section 133.20(B)(3)(c), Revised Code, for the portion of the Bonds allocable to the acquisition of real estate (\$1,500,000).
3. The weighted average of the amounts allocated to the purposes described in paragraph 2 above, calculated in the manner described in Section 133.20(E), Revised Code is 25.67 years. If you authorize a single issue of the Bonds for all those purposes, the maximum maturity of the Bonds may not exceed that weighted average.
4. The maximum maturity of the Series 2000 Notes is 240 months from the date of original issuance of the Series 2000 Notes.



Finance Director
Village of Richfield, Ohio

Dated: June 6, 2000