

VILLAGE OF BOSTON HEIGHTS

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IMPORTANT NOTICE

**THE VILLAGE OF BOSTON HEIGHTS WILL HOLD A SPECIAL COUNCIL
MEETING ON TUESDAY, APRIL 22, 2014, AT 6:30PM
FOR THE PURPOSE OF**

ORDINANCE 2014-4-11 (Second Reading)

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM PRINCIPAL AMOUNT OF \$210,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY THE COSTS OF IMPROVING THE WATER SYSTEM, INSTALLING WATER SERVICE CONNECTIONS AND NECESSARY APPURTENANCES THERETO AND DECLARING AN EMERGENCY

ORDINANCE 2014-4-12 (Second Reading)

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM PRINCIPAL AMOUNT OF \$825,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY THE COSTS OF RESURFACING AND OTHERWISE IMPROVING CERTAIN STREETS IN THE VILLAGE AND DECLARING AN EMERGENCY

ORDINANCE 2014-4-13 (Second Reading)

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM PRINCIPAL AMOUNT OF \$250,000, IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY THE COSTS OF CONSTRUCTING, WIDENING, AND OTHERWISE IMPROVING HINES HILL ROAD AND RELOCATING SANITARY SEWER LINES IN CONNECTION THEREWITH AND DECLARING AN EMERGENCY

THE REGULARLY SCHEDULED FINANCE MEETING WILL CONVENE IMMEDIATELY FOLLOWING THE SPECIAL COUNCIL MEETING.

Bill Goncy

BILL GONCY, MAYOR

Betty Klingenberg

BETTY KLINGENBERG, FISCAL OFFICER

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**[COUNCIL AGENDA]
VILLAGE OF BOSTON HEIGHTS
SPECIAL MEETING AGENDA
APRIL 22, 2014 - 6:30 PM**

**CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL**

**ALSO: Mayor Bill Goncy, Fiscal Officer Betty Klingenberg, Engineer Dave Krock,
Justin Markey sitting in for the absent Solicitor Marshal Pitchford**

R.Antal **X** - B.Bartko **X** - J.Miller **X**- G.Blakeney **X**- R.Fenn **ABSENT**- D.Polyak **X**

ORDINANCES:

<p>ORDINANCE 2014-4-11 (Second Reading)</p> <p>RULES SUSPENDED, MOVED & SECONDED, TABLED UNTIL ALL READ. NO ACTION: SECOND READING ONLY</p>	<p>ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM PRINCIPAL AMOUNT OF \$210,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY THE COSTS OF IMPROVING THE WATER SYSTEM, INSTALLING WATER SERVICE CONNECTIONS AND NECESSARY APPURTENANCES THERETO AND DECLARING AN EMERGENCY</p> <p>NOTE: See discussion below.</p>
<p>ORDINANCE 2014-4-12 (Second Reading)</p> <p>RULES SUSPENDED, MOVED & SECONDED, TABLED UNTIL ALL READ. NO ACTION: SECOND READING ONLY</p>	<p>ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM PRINCIPAL AMOUNT OF \$825,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY THE COSTS OF RESURFACING AND OTHERWISE IMPROVING CERTAIN STREETS IN THE VILLAGE AND DECLARING AN EMERGENCY</p> <p>NOTE: See discussion below.</p>

<p>ORDINANCE 2014-4-13 (Second Reading)</p> <p>RULES SUSPENDED, MOVED & SECONDED, TABLED UNTIL ALL READ. NO ACTION: SECOND READING ONLY</p>	<p>ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM PRINCIPAL AMOUNT OF \$250,000, IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY THE COSTS OF CONSTRUCTING, WIDENING, AND OTHERWISE IMPROVING HINES HILL ROAD AND RELOCATING SANITARY SEWER LINES IN CONNECTION THEREWITH AND DECLARING AN EMERGENCY</p> <p>NOTE: This was moved and seconded for adoption, purely to allow discussion, but the question was never called and the matter received only a second reading. (Same for all three ordinances.)</p> <p>Mr. Brian Cooper (Managing Director, ACI Financial Advisors, LLC) extended his explanation to Council on this proposal for three (3) bond issues to pay for the three (3) components of the capital improvements plan associated with the Arhaus and Boston Hills development project. All three measures allow the Village to issue notes for payment of engineering work and infrastructure work. He presented a fiscal breakdown of the Capital Plan that is intended to implement the multi-year Capital Improvements Plan developed by Engineer Dave Krock of Krock-Esser Engineering. Mr. Cooper noted that the Village expected to eventually pay for the bulk of the Hines Hill Road improvements with various state funding, leaving about \$100K as the Village share. He further explained that these notes (and bonds) represent only the first phase (about 25%) of the eventual \$5M plan funding requirements. Phased approval would allow for more flexibility in responding to later fiscal and project developments, but he emphasized that approval of this phase should be contingent on a general commitment to the larger overall program, as this funding is not for stand-alone projects. Councilor Jane Miller asked about time constraints on spending the borrowed monies; Mr. Cooper and Mr. Markey explained that there were such requirements, but that this phased borrowing approach limited the Village's risk in this and in interest rate variability. Each bond issue is extended over the anticipated useful life of the individual projects. The income taxes expected from the Arhaus facility are expected to be able to cover this indebtedness, but Mr. Cooper noted that if the Arhaus payroll dipped to the lowest level guaranteed by that company's CRA agreement with the Village, there could be as much as a \$40K/year gap in funding that would require monies from the Road Levy and/or other income tax revenues. In all cases, the Village and its advisors will be on the lookout for further funding opportunities.</p> <p>Mr. Cooper suggested that approval of these measures now would allow his firm to move forward to secure current favorable interest rates. However, several Council members preferred to wait for the 3rd reading at the May Council meeting.</p> <p>ED. NOTE: It should be noted that each note issue is ultimately guaranteed by a "backup" inside millage property tax levy that is expected to be 100% paid instead from the Village's income tax revenues.</p>
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ADJOURN

NOTICE

The complete text of each such Ordinance or Resolution may be obtained or viewed at the Boston Heights Village Hall, 45 East Boston Mills Road in the Office of the Fiscal Officer during office hours.

VILLAGE OF BOSTON HEIGHTS
ORDINANCE 2014-4-11
SECOND READING

**ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A MAXIMUM
PRINCIPAL AMOUNT OF \$210,000 IN
ANTICIPATION OF THE ISSUANCE OF BONDS. TO PAY THE COSTS OF IMPROVING
THE WATER SYSTEM. INSTALLING WATER SERVICE CONNECTIONS AND
NECESSARY APPURTENANCES THERETO AND DECLARING AN EMERGENCY.**

BE IT ORDAINED by the Council of the Village of Boston Heights, Ohio:

Section 1. Definitions. Words and terms are used in this ordinance with the following meanings:

"Authorized Denominations" means the denomination of \$5,000 or any whole multiple of \$5,000.

"Bonds" means the bonds anticipated by the Water Improvement Notes.

"Certificate of Award" means the certificate authorized by Section 8 of this ordinance, setting forth the terms and other provisions of the Water Improvement Notes required or authorized by this ordinance.

"Closing Date" means the date of delivery of and payment for the Water Improvement Notes.

"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.

"Continuing Disclosure Agreement" means the continuing disclosure agreement made by the Village for the benefit of Holders and beneficial owners of the Water Improvement Notes in accordance with the SEC Rule. It consists of the covenants in Section 9(b) of this ordinance.

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

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in securities or the principal of and interest on securities, and to effect transfers of securities in book-entry form and means initially The Depository Trust Company, New York, New York, a limited purpose trust company.

"EMMA System" means the MSRB's Electronic Municipal Market Access system.

"Federal Tax Status" means the status of the interest as excludable from gross income for federal 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), of the Ohio Revised Code.

"Holder" means, as to any Water Improvement Note, the person in whose name the Water Improvement Note is registered on the Register.

"MSRB" means the Municipal Securities Rulemaking Board.

"Note Proceedings" means, collectively, this ordinance, the Certificate of Award, any Purchase Agreement, any paying agency agreement, any registrar agreement, the Continuing Disclosure Agreement, and the other proceedings of the Village, including the Water Improvement Notes, that provide collectively for, among other things, the rights of Holders and beneficial owners of the Water Improvement Notes.

"Original Purchaser" means the original purchaser of the Water Improvement Notes designated in the Certificate of Award, in accordance with Section 8(c).

"Paying Agent" means (a) the entity designated as the Paying Agent by the Fiscal Officer in the Certificate of Award in accordance with Section 10(c), or (b) the Fiscal Officer, if she determines to serve in that capacity.

"Program" means the Ohio Market Access Program - Note Wrap offered by the Treasurer.

"Project" means paying the costs improving the water system, installing water service connections and necessary appurtenances thereto.

"Purchase Agreement" means any Note Purchase Agreement between the Village and the Original Purchaser, entered into in accordance with Section 8.

"Register" means all books and records necessary for the registration, exchange, and transfer of the Water Improvement Notes.

"Registrar" means (a) the entity designated as the Registrar by the Fiscal Officer in the Certificate of Award in accordance with Section 10(d), or (b) the Fiscal Officer, if she determines to serve in that capacity.

"Registrar Agreement" means any Registrar Agreement between the Village and the Registrar.

"SEC Rule" means SEC Rule 15c2-12.

"Specified Events" means any of the events specified in SEC Rule Section (b)(5)(i)(C), as in effect and applicable to the Water Improvement Notes at the time of the primary offering of the Water Improvement Notes.

"Standby Note Purchase Agreement" means the Standby Note Purchase Agreement between the Village and the Treasurer.

"Ten-mill Limitation" means the "ten-mill limitation" defined in Section 5705.02, Ohio Revised Code.

"Treasurer" means the Treasurer of State of the State of Ohio.

"Water Improvement Notes" means the bond anticipation notes authorized by Section 3 of this ordinance.

Section 2. Findings and Determinations. This Council makes the following findings and determinations:

(a) It is necessary for the Village to issue the Bonds to pay the costs of the Project. It is necessary to issue the Water Improvement Notes in anticipation of the Bonds for the purpose of (1) paying the costs of the Project, and (2) paying the Financing Costs of the Water Improvement Notes.

(b) The Fiscal Officer has certified to this Council the maximum maturity of the Bonds and notes issued in anticipation of the Bonds.

(c) All acts and conditions necessary to be performed by the Village or to have been met for the issuance of the Water Improvement 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 Water Improvement Notes, as required by law.

(d) No statutory or constitutional limitation of indebtedness or taxation will be exceeded by the issuance of the Water Improvement Notes.

(e) 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 the law.

Section 3. Estimated Bond Terms. The Bonds will have the following terms:

(a) Amount and Rate. The Bonds will be issued in the maximum principal amount of \$210,000 and will bear interest at the estimated average annual interest rate of 5%.

(b) Term. The Bonds will mature serially over a period of 30 years in accordance with the following estimated principal payment schedule:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
1	\$7,000	16	\$7,000
2	7,000	17	7,000
3	7,000	18	7,000
4	7,000	19	7,000
5	7,000	20	7,000
6	7,000	21	7,000
7	7,000	22	7,000
8	7,000	23	7,000
9	7,000	24	7,000
10	7,000	25	7,000
11	7,000	26	7,000
12	7,000	27	7,000
13	7,000	28	7,000
14	7,000	29	7,000
15	7,000	30	7,000

(c) Debt Service Charges. The Bonds will be payable as to Debt Service Charges from any money of the Village lawfully available and appropriated for that purpose and, if that money is insufficient, from the proceeds of an ad valorem tax to be levied on all property within the Village, subject to the Ten-Mill Limitation.

Section 4. Note Terms. The Water Improvement Notes will have the following terms:

(a) Amount. The Water Improvement Notes will be issued in the principal amount of \$210,000 or any lesser principal amount as determined by the Fiscal Officer in the Certificate of Award.

(b) Date. The Water Improvement Notes will be dated the Closing Date, or any other date, not more than 31 days before the Closing Date, as determined by the Fiscal Officer in the Certificate of Award.

(c) Maturity. The Water Improvement Notes will mature one year from their date. The Fiscal Officer may, if she determines it to be in the best interests of the Village, establish a different maturity date, less than one year from the Closing Date.

(d) Interest. The Water Improvement Notes will bear interest from their date at a rate not to exceed 8% per annum, payable at maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The rate of interest on the Water Improvement Notes must be determined by the Fiscal Officer in the Certificate of Award. There is further hereby authorized an after-maturity interest rate as established in the materials for the Program should the Village determine to participate and be approved for participation in such Program as further described in Section 14 herein.

(e) Redemption before Stated Maturity. The Water Improvement Notes will not be subject to redemption before maturity, unless otherwise determined by the Fiscal Officer in the Certificate of Award. The Fiscal Officer may determine, in the Certificate of Award, to provide that the Water Improvement Notes will be subject to redemption and may establish, in the Certificate of Award, notice provisions for that redemption and any price for that redemption. The redemption price may be any percentage of the principal amount redeemed, not exceeding 110%.

(f) Form, Numbering, and Denomination. The Water Improvement Notes must be issued in fully registered form. They must be issued in book-entry form unless the Fiscal Officer determines in the Certificate of Award that it would not be in the best interest of the Village for the Water Improvement Notes to be in book-entry form. They must be issued in Authorized Denominations and in the numbers and amounts as requested by the Original Purchaser and approved by the Fiscal Officer. They must be numbered as determined by the Fiscal Officer in a manner to distinguish each Water Improvement Note from any other Water Improvement Note. They must express on their faces the purpose for which they are issued and that they are issued in accordance with this ordinance. The Water Improvement Notes will be designated "Water Improvement Bond Anticipation Notes, Series 2014," unless otherwise designated in the Certificate of Award.

Section 5. Payment. The Debt Service Charges on the Water Improvement Notes will be payable when due in lawful money of the United States of America, without deduction for the services of the Paying Agent, upon presentation and surrender of the Water Improvement Notes at the office of the Paying Agent.

Section 6. Signing and Authentication.

(a) Signing. The Water Improvement Notes must be signed on behalf of the Village by the Mayor and the Fiscal Officer. Both signatures on the Water Improvement Notes may be facsimiles.

(b) Authentication. No Water Improvement Note will be valid or obligatory for any purpose or will be entitled to any security or benefit under the Note Proceedings unless and until the certificate of authentication printed on the note certificate is signed by the Registrar as authenticating agent. Authentication by the Registrar will be conclusive evidence that the Water Improvement Note so authenticated has been duly issued, signed, and delivered under, and is entitled to the security and benefit of, the Note Proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Registrar or by any other person acting as an agent of the Registrar and approved by the Fiscal Officer on behalf of the Village. The same person need not sign the certificate of authentication on all of the Water Improvement Notes.

Section 7. Registration, Transfer, and Exchange; Book-Entry System.

(a) Registrar. So long as any of the Water Improvement Notes remain outstanding, the Village must cause the Registrar to maintain the Register. The person in whose name a Water Improvement Note is registered on the Register will be regarded as the absolute owner of that Water Improvement Note for all purposes of the Note Proceedings. Payment of the Debt Service Charges on any Water Improvement Note will be made only to, or on the order of, that person.

(b) Transfer and Exchange. Any Water Improvement Note may be transferred or exchanged for Water Improvement Notes of any Authorized Denomination, upon presentation and surrender of that Water Improvement Note at the

office of the Registrar, together with a request for exchange or an assignment signed by the Holder or by a person legally empowered to do so on behalf of the Holder, in a form satisfactory to the Registrar. The Registrar must complete, authenticate, and deliver new Water Improvement Notes, upon an exchange, to the Holder or its agent or, upon a transfer, to the new Holder of the transferred Water Improvement Notes or its agent, in Authorized Denominations equal in the aggregate to the principal amount of the Water Improvement Notes surrendered. Every exchange or transfer of the Water Improvement Notes will be made without charge to the Holders, except that the Village and the Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required for the exchange or transfer.

If manual signatures on behalf of the Village are required, the Registrar will undertake the exchange or transfer of a Water Improvement Note only after the new Water Improvement Note is signed by the authorized officers of the Village. In all cases of Water Improvement Notes exchanged or transferred, the Village will sign, and the Registrar will authenticate and deliver Water Improvement Notes in accordance with the provisions of the Note Proceedings. The exchange or transfer will be without charge to the Holder, except that the Village and the Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Village or the Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Water Improvement Notes issued and authenticated upon any exchange or transfer will be valid obligations of the Village, evidencing the same debt, and entitled to the same security and benefit under the Note Proceedings as the Water Improvement Notes surrendered upon that exchange or transfer. Neither the Village nor the Registrar will be required, to make any exchange or transfer of any Water Improvement Note selected for redemption, in whole or in part.

(c) Book-Entry System. Unless otherwise provided in the Certificate of Award, the Water Improvement Notes must be originally issued in book-entry form to a Depository, initially The Depository Trust Company, for use in a book-entry system.

The Village and the Registrar must recognize and treat the Depository as the owner of the Water Improvement Notes for all purposes, including payment of Debt Service Charges, redemption and other notices, and enforcement of remedies.

If any Depository determines not to continue to act as a Depository for the Water Improvement Notes for use in a book-entry system or if the Village determines to discontinue the book-entry system, the Fiscal Officer may attempt to establish a securities depository relationship with another qualified Depository. If the Fiscal Officer does not do so, the Fiscal Officer must direct the Registrar to make provision for notification of the book-entry interest owners by the Depository and to make any other arrangements necessary for the withdrawal of the Water Improvement Notes from the book-entry system, including the authentication and delivery of replacement Water Improvement Note certificates.

Section 8. Sale of the Water Improvement Notes.

(a) Private Sale. This Council authorizes and directs the Fiscal Officer to sell the Water Improvement Notes in a private sale to the Original Purchaser. The purchase price of the Water Improvement Notes must not be less than 97% of the aggregate principal amount of the Water Improvement Notes, plus any interest accrued on the Water Improvement Notes from their date to the Closing Date. The Fiscal Officer may either sell the Water Improvement Notes to an investment banker, acting as underwriter, or to a financial institution or other entity or person in a private placement. The Fiscal Officer may enter into a Purchase Agreement with the Original Purchaser in that private sale, or may sell the Water Improvement Notes without a Purchase Agreement. The Fiscal Officer may sell the Water Improvement Notes at the same time, in the same manner, and in the same offering with other securities of the Village, whether or not those other securities have been consolidated with the Water Improvement Notes.

(b) Consolidation. If the Fiscal Officer determines it to be in the best interest of the Village, she may combine the Water Improvement Notes with one or more other general obligation bond anticipation notes of the Village, payable from taxes subject to the Ten-Mill Limitation.

(c) Certificate of Award. The Fiscal Officer must deliver a Certificate of Award to the Original Purchaser in connection with the sale of the Water Improvement Notes. The Fiscal Officer must state the following in the Certificate of Award: the principal amount of the Water Improvement Notes; the interest rate on the Water Improvement Notes; the purchase price for the Water Improvement Notes; the designated Registrar and Paying Agent; the Original Purchaser; the amount of interest, if any, on the Water Improvement Notes to be paid from the proceeds of the Water Improvement Notes; and any other terms required by this ordinance. The Fiscal Officer may state the following in the Certificate of Award: any changes in the date, the maturity date, the redemption provisions, and the designation of the Water Improvement Notes; and any other terms authorized by this ordinance, subject to the limitations stated in this ordinance.

(d) Delivery. The Fiscal Officer must cause the Water Improvement Notes to be prepared, signed, and delivered to the Original Purchaser. This Council authorizes and directs the Fiscal Officer to deliver a true transcript of proceedings for the issuance of the Water Improvement Notes to the Original Purchaser upon payment of the purchase price.

Section 9. Disclosure.

(a) Primary Offering Disclosure - Official Statement. This Council authorizes and directs the Mayor and the Fiscal Officer, or either of them, (1) to prepare or cause to be prepared, and to make or authorize modifications, completions, or changes of or supplements to, a disclosure document in the form of an official statement, (2) to determine, and certify or otherwise represent, when the official statement is to be "deemed final" (except for permitted omissions) or is a final official statement for purposes of the SEC Rule, (3) to use and distribute, or authorize the use and distribution of, that official statement and any supplements in connection with the original issuance of the Water Improvement Notes, and (4) to complete and sign the final official statement

together with certificates, statements, or other documents in connection with the finality, accuracy, and completeness of that official statement.

(b) Secondary Market Disclosure - Continuing Disclosure Agreement. For the benefit of the Holders of the Water Improvement Notes and the beneficial owners of book-entry interests in the Water Improvement Notes, the Village agrees, as the only obligated person with respect to the Water Improvement Notes under the SEC Rule, to provide notices, in the manner required for purposes of paragraph (b)(5)(i) of the SEC Rule.

(1) Information Filing. The Village further agrees, in particular, to provide, to the MSRB in an electronic format as prescribed by the MSRB and containing identifying information as prescribed by the MSRB, in a timely manner, notice of (A) any Specified Event, within 10 business days of the occurrence of a Specified Event, (B) any failure by the Village to appropriate funds to meet costs to be incurred to perform the Continuing Disclosure Agreement, and (C) the termination of the Continuing Disclosure Agreement.

(2) Disclosure Procedures. This Council further authorizes and directs the Fiscal Officer to establish procedures to ensure compliance by the Village with the Continuing Disclosure Agreement, including timely provision of notices as described above. Before providing notice of the occurrence of any events, the Fiscal Officer may consult with and obtain legal advice from bond counsel or other qualified independent special counsel selected by the Village. The Fiscal Officer, acting in the name and on behalf of the Village, may rely upon that legal advice in determining whether a filing should be made.

(3) Amendments. The Village reserves the right to amend the Continuing Disclosure Agreement, and to obtain the waiver of noncompliance with any provision of the Continuing Disclosure Agreement, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency, or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the Village, or type of business conducted by the Village. Any amendment or waiver will not be effective unless the Continuing Disclosure Agreement (as amended or taking into account that waiver) would have complied with the requirements of the SEC Rule at the time of the primary offering of the Water Improvement Notes, after taking into account any applicable amendments to or official interpretations of the SEC Rule, as well as any change in circumstances, and until the Village has received either (A) a written opinion of bond counsel or other qualified independent special counsel selected by the Village that the amendment or waiver would not materially impair the interests of Holders or beneficial owners of book-entry interests in the Water Improvement Notes, or (B) the written consent to the amendment or waiver by the Holders of at least a majority of the principal amount of the Water Improvement Notes then outstanding.

(4) Enforcement. The Continuing Disclosure Agreement will be solely for the benefit of the Holders of, and beneficial owners of book-entry interests in, the Water Improvement Notes. The exclusive remedy for any breach of the Continuing Disclosure Agreement by the Village will be limited, to the extent permitted by law, to a right of Holders and beneficial owners to institute and maintain legal proceedings to obtain the specific performance by the Village of its obligations under the Continuing Disclosure Agreement. Any individual Holder or beneficial owner may institute and maintain those proceedings to require the Village to provide a filing if the filing is due and has not been made. Any proceedings to require the Village to perform any other obligation under the Continuing Disclosure Agreement (including any proceedings that contest the sufficiency of any filing) may be instituted and maintained only (A) by a trustee appointed by the Holders and beneficial owners of not less than 25% in principal amount of the Water Improvement Notes then outstanding, or (B) by Holders and beneficial owners of not less than 10% in principal amount of the Water Improvement Notes then outstanding, in accordance with Section 133.25(B)(4)(b) or (C)(1), Revised Code, as applicable, or any comparable successor provisions.

(5) Appropriation. The performance by the Village of the Continuing Disclosure Agreement will be subject to the annual appropriation of any funds that may be necessary to perform it.

(6) Term. The Continuing Disclosure Agreement will remain in effect only for the period that the Water Improvement Notes are outstanding in accordance with their terms and the Village is an obligated person with respect to the Water Improvement Notes within the meaning of the SEC Rule. The obligation of the Village to provide notices of the events described above will terminate if and when the Village is no longer an obligated person with respect to the Water Improvement Notes.

Section 10. Financing Costs. The Village retains the professional services and authorizes the payment of the Financing Costs for the Water Improvement Notes, as provided in this Section 10.

(a) Bond Counsel. The Village retains the legal services of Roetzel & Andress, A Legal Professional Association, as bond counsel for the Water Improvement 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 Water Improvement Notes and rendering legal opinions upon the delivery of the Water Improvement 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.

(b) Original Purchaser. This Council authorizes and directs the Fiscal Officer to select the Original Purchaser of the Water Improvement Notes in the Certificate of Award. The Original Purchaser will be paid for services in accordance with any

Purchase Agreement or, if there is no Purchase Agreement, in accordance with its proposal as accepted by the Fiscal Officer in the Certificate of Award.

(c) Paying Agent. This Council authorizes and directs the Fiscal Officer to appoint a Paying Agent for the Water Improvement Notes. The Paying Agent must be a bank or trust company, may be the same entity serving as Registrar, and may provide its paying agency services under the terms of its Registrar Agreement or under a separate paying agency agreement. The Village retains the services of the Paying Agent for the Water Improvement Notes. The Paying Agent must be compensated for those services in accordance with any paying agency agreement or Registrar Agreement. Alternately, the Fiscal Officer may serve as Paying Agent for the Water Improvement Notes. The Paying Agent must be designated in the Certificate of Award.

(d) Registrar. This Council authorizes and directs the Fiscal Officer to appoint a Registrar for the Water Improvement Notes. The Registrar must be a financial institution able to complete transfer and exchange functions for the Water Improvement Notes in accordance with standards and conditions applicable to registered corporate securities. The Village retains the services of the Registrar for the Water Improvement Notes. The Registrar must perform the services as registrar, authenticating agent, paying agent, and transfer agent for the Water Improvement Notes as provided in this ordinance and any Registrar Agreement. The Registrar must be paid for those services in accordance with the Registrar Agreement. Alternately, the Fiscal Officer may serve as Registrar for the Water Improvement Notes. The Registrar must be designated in the Certificate of Award.

(e) Issuer's Counsel. The Village retains the legal services of DiCaudo, Pitchford & Yoder LLC as issuer's counsel the Water Improvement Notes. The legal services will be in the nature of legal advice and recommendations as to the documents in connection with the issuance and sale of the Water Improvement Notes. Issuer's counsel must render those services to the Village in an attorney-client relationship. Issuer's counsel must be paid just and reasonable compensation for those legal services.

(f) Ratings and Credit Enhancement. If, in the judgment of the Fiscal Officer, the filing of an application for (1) a rating on the Water Improvement Notes by one or more nationally recognized statistical rating organizations, or (2) a policy of insurance or other credit enhancement to better assure the payment of principal of and interest on the Water Improvement Notes, is in the best interest of and financially advantageous to the Village, the Fiscal Officer must prepare and submit those applications and provide to each of those rating agencies or insurance or other credit enhancement providers the information required for the purpose. This Council further authorizes the fees for those ratings and the premiums for the insurance or the fees for such credit enhancement programs to be included in Financing Costs authorized under (i) below.

(g) Financial Adviser. This Council retains the services of ACI Financial Advisors, LLC as financial adviser for the Water Improvement Notes. The financial adviser will be paid for those services in accordance with its letter of engagement. This

Council authorizes the fees for the financial adviser's services to be included in the Financing Costs authorized under (i) below.

(h) 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 of Ohio, the Village, or any other political subdivision; or the execution of public trusts.

(i) 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 Water Improvement Notes. Those Financing Costs may be paid by the Original Purchaser. To the extent they are not paid by the Original Purchaser, this Council authorizes and directs the Fiscal Officer to provide for the payment of those Financing Costs from the proceeds of the Water Improvement Notes to the extent available and, otherwise, from any other funds lawfully available and appropriated for the purpose.

Section 11. Use of Proceeds. The proceeds from the sale of the Water Improvement Notes must be deposited and used as provided in this Section 11.

(a) Any accrued interest or premium received on the sale of the Water Improvement Notes must be deposited in the Bond Retirement Fund of the Village and be used for the payment of interest on the Water Improvement Notes at their maturity.

(b) The remainder of the proceeds must be paid into the proper fund or funds and used for the payment of any Financing Costs of the Notes to the extent that those Financing Costs are not paid by the Original Purchaser and to the extent that the Fiscal Officer determines to pay those Financing Costs from the proceeds of the Water Improvement Notes.

(c) The remainder of the proceeds must be paid into the proper fund or funds and used for the payment of the costs of the Project.

Section 12. Security and Source of Payment. The Water Improvement Notes will be general obligations of the Village.

(a) This Council pledges to the payment of Debt Service Charges on the Water Improvement 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.

(2) Any money remaining from the sale of the Water Improvement Notes after the payment of accrued interest or premium and the Financing Costs

of the Water Improvement Notes and not required to refund the Water Improvement Notes.

(b) The Debt Service Charges on the Water Improvement 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 Water Improvement 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, subject to the Ten-mill Limitation, in an amount sufficient to pay Debt Service Charges on the Water Improvement Notes when due. The tax will be not less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax must 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 must 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 Charges on the Water Improvement Notes, when and as that Debt Service Charges falls due. In each year to the extent proceeds from the Village's municipal income tax are available for the payment of Debt Service Charges on the Water Improvement Notes and Bonds and are appropriated for the purpose, the amount of the tax shall be reduced by the amount of the income so available and appropriated. The Village hereby covenants that it will appropriate annually from municipal income taxes, and shall continue to levy and collect those municipal income taxes, in the amounts required to pay the principal of and interest on the Water Improvement Notes and Bonds when and as the same shall fall due. Additionally, if any of the following amounts are available for the payment of the Water Improvement Notes and are appropriated for that purpose, the amount of the tax levy in each year must be reduced by the amount available and appropriated:

- (1) Any surplus in the Bond Retirement Fund.
- (2) Proceeds received from the sale of any bonds issued to refund the Water Improvement Notes.
- (3) Any other money lawfully available to the Village.

Section 13. Federal Tax Matters. The Village covenants that it will take those actions required to maintain the Federal Tax Status of the Water Improvement 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 that portion of the Water Improvement Notes to those uses described in Section 11. The Village will not secure or derive the money for payment of Debt Service Charges on that portion of the Water Improvement Notes by any property or payments,

and will not loan the proceeds of that portion of the Water Improvement Notes to any person, all in a manner as to cause that portion of the Water Improvement Notes to be "private activity bonds" within the meaning of Code Section 141(a).

(b) Arbitrage. The Village will restrict the use of proceeds of that portion of the Water Improvement Notes in the manner and to the extent as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Water Improvement Notes, so that that portion of the Water Improvement Notes will not constitute "arbitrage bonds" within the meaning of Code Section 148. The Fiscal Officer or any other official having responsibility for issuing the Water Improvement Notes, is authorized and directed, alone or in conjunction with any other officer, employee, or consultant of the Village, to sign and deliver a certificate of the Village, for inclusion in the transcript of proceedings for the Water Improvement Notes, setting forth the reasonable expectations of the Village on the Closing Date, regarding the amount and use of the proceeds of that portion of the Water Improvement Notes in accordance with Code Section 148. If required, the Village will limit the yield on any "investment property" (as defined in Code Section 148(b)(2)) acquired with the proceeds of that portion of the Water Improvement Notes.

(c) Arbitrage Rebate. Unless the gross proceeds of that portion of the Water Improvement Notes are expended in accordance with one of the spending period exceptions set forth in Treas. Reg. Section 1.148-7, the Village will pay the amounts required by Code Section 148(f)(2) to the United States at the times required by Code Section 148(f)(3). The Village will maintain the books and records and make the calculations and reports that are required to comply with the Code's arbitrage rebate requirements.

(d) Federal Guarantee. The Village will not make loans of the proceeds of that portion of the Water Improvement Notes, or invest the proceeds of that portion of the Water Improvement Notes in a manner as to cause that portion of the Water Improvement Notes to be "federally guaranteed" within the meaning of Code Section 149(b).

(e) Information Reporting. This Council authorizes and directs the Fiscal Officer or any other official of the Village having responsibility for issuing the Water Improvement Notes to sign and file a Form 8038-G for that portion of the Water Improvement Notes with the Internal Revenue Service.

Section 14. Signing and Delivery of Water Improvement Notes and Documents. This Council authorizes and directs the Mayor and the Fiscal Officer, or the persons designated to sign in their absence, to sign and deliver the Water Improvement Notes in accordance with Section 6 of this ordinance. This Council authorizes and directs the Mayor and the Fiscal Officer, or either of them, to sign and approve a preliminary official statement, a final official statement, and supplements and amendments to both in accordance with Section 9 of this ordinance.

(a) This Council authorizes and directs the Fiscal Officer to sign and deliver, on behalf of the Village:

- (1) The Certificate of Award.
- (2) Any Registrar Agreement.
- (3) Any Purchase Agreement.
- (4) Any paying agency agreement.
- (5) Any agreements or letters of representation in connection with a book-entry system for the Water Improvement Notes.
- (6) Applications for and agreements in connection with obtaining a policy of municipal bond insurance for the Water Improvement Notes.
- (7) Applications for and agreements in connection with obtaining one or more ratings for the Water Improvement Notes.

(b) This Council authorizes and directs the Fiscal Officer to sign and deliver, on behalf of the Village, in her capacity as fiscal officer of the Village, any certificates required under Section 5705.41, Revised Code, for any of the agreements in connection with the Water Improvement Notes.

(c) This Council authorizes and directs the Mayor, the Solicitor, the Fiscal Officer, the President of Council and any other Village officials:

- (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 Water Improvement Notes and that are not inconsistent with this ordinance; and
- (2) to take any actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance.

(d) The Standby Note Purchase Agreement is hereby authorized in the form presented to the Council with such changes not materially adverse to the Village as may be approved by the officers of the Village executing the Standby Note Purchase Agreement. The Village acknowledges the agreement of the Treasurer in the Standby Note Purchase Agreement that, in the event the Village is unable to repay the principal amount and accrued and unpaid interest of the Water Improvement Notes at their maturity, whether through its own funds or through the issuance of other obligations of the Village, the Treasurer agrees (a) to purchase the Water Improvement Notes from the Holders or beneficial owners thereof upon their presentation to the Treasurer for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of the Village in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at a rate equal to 1-year MMD AAA plus 400 basis points, maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days'

notice, provided that in connection with the Treasurer's purchase of such renewal notes the Village shall deliver to the Treasurer an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding general obligations of the Village, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes within the ten-mill limitation imposed by law on all property subject to ad valorem taxes levied by the Village and (ii) interest on the renewal notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code as amended to the same extent that interest on the Notes is so excluded.

The officers signing the Water Improvement Notes are authorized to take all actions that may in their judgment reasonably be necessary to provide for the Standby Note Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Water Improvement Notes providing notice to the Holders or beneficial owners of the existence of such Standby Note Purchase Agreement and providing instructions to such Holders or beneficial owners regarding the presentation of the Water Improvement Notes for purchase by the Treasurer at stated maturity.

Section 15. Certification to County Fiscal Officer. This Council directs the Fiscal Officer to forward a certified copy of this ordinance and a copy of the Certificate of Award to the County Fiscal Officer.

Section 16. Emergency and Effective Date. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, welfare, and safety of the Village and for the further reason that the Water Improvement Notes must be sold promptly in order to pay the costs of the Project; wherefore, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest period allowed by law.

PASSED:

BILL GONCY, Mayor

ATTEST:

I, BETTY KLINGENBERG, Fiscal Officer and Clerk of the Council for the Village of Boston Heights, Summit County, Ohio do hereby certify that the foregoing Ordinance **2014-4-11** was duly passed by the Council of the Village of Boston Heights, County of Summit, State of Ohio at a meeting of Council on this ___ day of _____, 2014.

BETTY KLINGENBERG, FISCAL OFFICER

VILLAGE OF BOSTON HEIGHTS
ORDINANCE NO: 2014-4-12
SECOND READING

**ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A
MAXIMUM PRINCIPAL AMOUNT OF \$825,000 IN
ANTICIPATION OF THE ISSUANCE OF BONDS. TO PAY THE COSTS OF
RESURFACING AND OTHERWISE IMPROVING CERTAIN STREETS IN THE
VILLAGE; AND DECLARING AN EMERGENCY.**

BE IT ORDAINED by the Council of the Village of Boston Heights, Ohio:

Section 1. Definitions. Words and terms are used in this ordinance with the following meanings:

"Authorized Denominations" means the denomination of \$5,000 or any whole multiple of \$5,000.

"Bonds" means the bonds anticipated by the Street Resurfacing Notes.

"Certificate of Award" means the certificate authorized by Section 8 of this ordinance, setting forth the terms and other provisions of the Street Resurfacing Notes required or authorized by this ordinance.

"Closing Date" means the date of delivery of and payment for the Street Resurfacing Notes.

"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.

"Continuing Disclosure Agreement" means the continuing disclosure agreement made by the Village for the benefit of Holders and beneficial owners of the Street Resurfacing Notes in accordance with the SEC Rule. It consists of the covenants in Section 9(b) of this ordinance.

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

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in securities or the principal of and interest on securities, and to effect transfers of securities in book-entry form and means initially The Depository Trust Company, New York, New York, a limited purpose trust company.

"EMMA System" means the MSRB's Electronic Municipal Market Access system.

"Federal Tax Status" means the status of the interest as excludable from gross income for federal 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), of the Ohio Revised Code.

"Holder" means, as to any Street Resurfacing Note, the person in whose name the Street Resurfacing Note is registered on the Register.

"MSRB" means the Municipal Securities Rulemaking Board.

"Note Proceedings" means, collectively, this ordinance, the Certificate of Award, any Purchase Agreement, any paying agency agreement, any registrar agreement, the Continuing Disclosure Agreement, and the other proceedings of the Village, including the Street Resurfacing Notes, that provide collectively for, among other things, the rights of Holders and beneficial owners of the Street Resurfacing Notes.

"Original Purchaser" means the original purchaser of the Street Resurfacing Notes designated in the Certificate of Award, in accordance with Section 8(c).

"Paying Agent" means (a) the entity designated as the Paying Agent by the Fiscal Officer in the Certificate of Award in accordance with Section 10(c), or (b) the Fiscal Officer, if she determines to serve in that capacity.

"Program" means the Ohio Market Access Program - Note Wrap offered by the Treasurer.

"Project" means paying the costs of resurfacing and otherwise improving certain streets in the Village.

"Purchase Agreement" means any Note Purchase Agreement between the Village and the Original Purchaser, entered into in accordance with Section 8.

"Register" means all books and records necessary for the registration, exchange, and transfer of the Street Resurfacing Notes.

"Registrar" means (a) the entity designated as the Registrar by the Fiscal Officer in the Certificate of Award in accordance with Section 10(d), or (b) the Fiscal Officer, if she determines to serve in that capacity.

"Registrar Agreement" means any Registrar Agreement between the Village and the Registrar.

"SEC Rule" means SEC Rule 15c2-12.

"Specified Events" means any of the events specified in SEC Rule Section (b)(5)(i)(C), as in effect and applicable to the Street Resurfacing Notes at the time of the primary offering of the Street Resurfacing Notes.

"Standby Note Purchase Agreement" means the Standby Note Purchase Agreement between the Village and the Treasurer.

"Street Resurfacing Notes" means the bond anticipation notes authorized by Section 3 of this ordinance.

"Ten-mill Limitation" means the "ten-mill limitation" defined in Section 5705.02, Ohio Revised Code.

"Treasurer" means the Treasurer of State of the State of Ohio.

Section 2. Findings and Determinations. This Council makes the following findings and determinations:

(a) It is necessary for the Village to issue the Bonds to pay the costs of the Project. It is necessary to issue the Street Resurfacing Notes in anticipation of the Bonds for the purpose of (1) paying the costs of the Project, and (2) paying the Financing Costs of the Street Resurfacing Notes.

(b) The Fiscal Officer has certified to this Council the maximum maturity of the Bonds and notes issued in anticipation of the Bonds.

(c) All acts and conditions necessary to be performed by the Village or to have been met for the issuance of the Street Resurfacing 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 Street Resurfacing Notes, as required by law.

(d) No statutory or constitutional limitation of indebtedness, or taxation will be exceeded by the issuance of the Street Resurfacing Notes.

(e) 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 the law.

Section 3. Estimated Bond Terms. The Bonds will have the following terms:

(a) Amount and Rate. The Bonds will be issued in the maximum principal amount of \$825,000 and will bear interest at the estimated average annual interest rate of 5%.

(b) Term. The Bonds will mature serially over a period of 15 years in accordance with the following estimated principal payment schedule:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
1	\$55,000	9	\$55,000
2	55,000	10	55,000
3	55,000	11	55,000
4	55,000	12	55,000
5	55,000	13	55,000
6	55,000	14	55,000
7	55,000	15	55,000
8	55,000		

(c) Debt Service Charges. The Bonds will be payable as to Debt Service Charges from any money of the Village lawfully available and appropriated for that purpose and, if that money is insufficient, from the proceeds of an ad valorem tax to be levied on all property within the Village, subject to the Ten-Mill Limitation.

Section 4. Note Terms. The Street Resurfacing Notes will have the following terms:

(a) Amount. The Street Resurfacing Notes will be issued in the principal amount of \$825,000 or any lesser principal amount as determined by the Fiscal Officer in the Certificate of Award.

(b) Date. The Street Resurfacing Notes will be dated the Closing Date, or any other date, not more than 31 days before the Closing Date, as determined by the Fiscal Officer in the Certificate of Award.

(c) Maturity. The Street Resurfacing Notes will mature one year from their date. The Fiscal Officer may, if she determines it to be in the best interests of the Village, establish a different maturity date, less than one year from the Closing Date.

(d) Interest. The Street Resurfacing Notes will bear interest from their date at a rate not to exceed 8% per annum, payable at maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The rate of interest on the Street Resurfacing Notes must be determined by the Fiscal Officer in the Certificate of Award. There is further hereby authorized an after-maturity interest rate as established in the materials for the Program should the Village determine to participate and be approved for participation in such Program as further described in Section 14 herein.

(e) Redemption before Stated Maturity. The Street Resurfacing Notes will not be subject to redemption before maturity, unless otherwise determined by the Fiscal Officer in the Certificate of Award. The Fiscal Officer may determine, in the Certificate of Award, to provide that the Street Resurfacing Notes will be subject to redemption and may establish, in the Certificate of Award, notice provisions for that redemption and any price for that redemption. The redemption price may be any percentage of the principal amount redeemed, not exceeding 110%.

(f) Form, Numbering, and Denomination. The Street Resurfacing Notes must be issued in fully registered form. They must be issued in book-entry form unless the Fiscal Officer determines in the Certificate of Award that it would not be in the best interest of the Village for the Street Resurfacing Notes to be in book-entry form. They must be issued in Authorized Denominations and in the numbers and amounts as requested by the Original Purchaser and approved by the Fiscal Officer. They must be numbered as determined by the Fiscal Officer in a manner to distinguish each Street Resurfacing Note from any other Street Resurfacing Note. They must express on their

faces the purpose for which they are issued and that they are issued in accordance with this ordinance. The Street Resurfacing Notes will be designated "Street Resurfacing Bond Anticipation Notes, Series 2014," unless otherwise designated in the Certificate of Award.

Section 5. Payment. The Debt Service Charges on the Street Resurfacing Notes will be payable when due in lawful money of the United States of America, without deduction for the services of the Paying Agent, upon presentation and surrender of the Street Resurfacing Notes at the office of the Paying Agent.

Section 6. Signing and Authentication.

(a) Signing. The Street Resurfacing Notes must be signed on behalf of the Village by the Mayor and the Fiscal Officer. Both signatures on the Street Resurfacing Notes may be facsimiles.

(b) Authentication. No Street Resurfacing Note will be valid or obligatory for any purpose or will be entitled to any security or benefit under the Note Proceedings unless and until the certificate of authentication printed on the note certificate is signed by the Registrar as authenticating agent. Authentication by the Registrar will be conclusive evidence that the Street Resurfacing Note so authenticated has been duly issued, signed, and delivered under, and is entitled to the security and benefit of, the Note Proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Registrar or by any other person acting as an agent of the Registrar and approved by the Fiscal Officer on behalf of the Village. The same person need not sign the certificate of authentication on all of the Street Resurfacing Notes.

Section 7. Registration, Transfer, and Exchange; Book-Entry System.

(a) Registrar. So long as any of the Street Resurfacing Notes remain outstanding, the Village must cause the Registrar to maintain the Register. The person in whose name a Street Resurfacing Note is registered on the Register will be regarded as the absolute owner of that Street Resurfacing Note for all purposes of the Note Proceedings. Payment of the Debt Service Charges on any Street Resurfacing Note will be made only to, or on the order of, that person.

(b) Transfer and Exchange. Any Street Resurfacing Note may be transferred or exchanged for Street Resurfacing Notes of any Authorized Denomination, upon presentation and surrender of that Street Resurfacing Note at the office of the Registrar, together with a request for exchange or an assignment signed by the Holder or by a person legally empowered to do so on behalf of the Holder, in a form satisfactory to the Registrar. The Registrar must complete, authenticate, and deliver new Street Resurfacing Notes, upon an exchange, to the Holder or its agent or, upon a transfer, to the new Holder of the transferred Street Resurfacing Notes or its agent, in Authorized Denominations equal in the aggregate to the principal amount of the Street Resurfacing Notes surrendered. Every exchange or transfer of the Street Resurfacing Notes will be made without charge to the Holders, except that the Village and the Registrar may make a

charge sufficient to reimburse them for any tax or other governmental charge required for the exchange or transfer.

If manual signatures on behalf of the Village are required, the Registrar will undertake the exchange or transfer of a Street Resurfacing Note only after the new Street Resurfacing Note is signed by the authorized officers of the Village. In all cases of Street Resurfacing Notes exchanged or transferred, the Village will sign, and the Registrar will authenticate and deliver Street Resurfacing Notes in accordance with the provisions of the Note Proceedings. The exchange or transfer will be without charge to the Holder, except that the Village and the Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Village or the Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Street Resurfacing Notes issued and authenticated upon any exchange or transfer will be valid obligations of the Village, evidencing the same debt, and entitled to the same security and benefit under the Note Proceedings as the Street Resurfacing Notes surrendered upon that exchange or transfer. Neither the Village nor the Registrar will be required to make any exchange or transfer of any Street Resurfacing Note selected for redemption, in whole or in part.

(c) Book-Entry System. Unless otherwise provided in the Certificate of Award, the Street Resurfacing Notes must be originally issued in book-entry form to a Depository, initially The Depository Trust Company, for use in a book-entry system.

The Village and the Registrar must recognize and treat the Depository as the owner of the Street Resurfacing Notes for all purposes, including payment of Debt Service Charges, redemption and other notices, and enforcement of remedies.

If any Depository determines not to continue to act as a Depository for the Street Resurfacing Notes for use in a book-entry system or if the Village determines to discontinue the book-entry system, the Fiscal Officer may attempt to establish a securities depository relationship with another qualified Depository. If the Fiscal Officer does not do so, the Fiscal Officer must direct the Registrar to make provision for notification of the book-entry interest owners by the Depository and to make any other arrangements necessary for the withdrawal of the Street Resurfacing Notes from the book-entry system, including the authentication and delivery of replacement Street Resurfacing Note certificates.

Section 8. Sale of the Street Resurfacing Notes.

(a) Private Sale. This Council authorizes and directs the Fiscal Officer to sell the Street Resurfacing Notes in a private sale to the Original Purchaser. The purchase price of the Street Resurfacing Notes must not be less than 97% of the aggregate principal amount of the Street Resurfacing Notes, plus any interest accrued on the Street Resurfacing Notes from their date to the Closing Date. The Fiscal Officer may either sell the Street Resurfacing Notes to an investment banker, acting as underwriter, or to a financial institution or other entity or person in a private placement. The Fiscal Officer may enter into a Purchase Agreement with the Original Purchaser in that private sale, or

may sell the Street Resurfacing Notes without a Purchase Agreement. The Fiscal Officer may sell the Street Resurfacing Notes at the same time, in the same manner, and in the same offering with other securities of the Village, whether or not those other securities have been consolidated with the Street Resurfacing Notes.

(b) Consolidation. If the Fiscal Officer determines it to be in the best interest of the Village, she may combine the Street Resurfacing Notes with one or more other general obligation bond anticipation notes of the Village, payable from taxes subject to the Ten-Mill Limitation.

(c) Certificate of Award. The Fiscal Officer must deliver a Certificate of Award to the Original Purchaser in connection with the sale of the Street Resurfacing Notes. The Fiscal Officer must state the following in the Certificate of Award: the principal amount of the Street Resurfacing Notes; the interest rate on the Street Resurfacing Notes; the purchase price for the Street Resurfacing Notes; the designated Registrar and Paying Agent; the Original Purchaser; the amount of interest, if any, on the Street Resurfacing Notes to be paid from the proceeds of the Street Resurfacing Notes; and any other terms required by this ordinance. The Fiscal Officer may state the following in the Certificate of Award: any changes in the date, the maturity date, the redemption provisions, and the designation of the Street Resurfacing Notes; and any other terms authorized by this ordinance, subject to the limitations stated in this ordinance.

(d) Delivery. The Fiscal Officer must cause the Street Resurfacing Notes to be prepared, signed, and delivered to the Original Purchaser. This Council authorizes and directs the Fiscal Officer to deliver a true transcript of proceedings for the issuance of the Street Resurfacing Notes to the Original Purchaser upon payment of the purchase price.

Section 9. Disclosure.

(a) Primary Offering Disclosure - Official Statement. This Council authorizes and directs the Mayor and the Fiscal Officer, or either of them, (1) to prepare or cause to be prepared, and to make or authorize modifications, completions, or changes of or supplements to, a disclosure document in the form of an official statement, (2) to determine, and certify or otherwise represent, when the official statement is to be "deemed final" (except for permitted omissions) or is a final official statement for purposes of the SEC Rule, (3) to use and distribute, or authorize the use and distribution of, that official statement and any supplements in connection with the original issuance of the Street Resurfacing Notes, and (4) to complete and sign the final official statement together with certificates, statements, or other documents in connection with the finality, accuracy, and completeness of that official statement.

(b) Secondary Market Disclosure - Continuing Disclosure Agreement. For the benefit of the Holders of the Street Resurfacing Notes and the beneficial owners of book-entry interests in the Street Resurfacing Notes, the Village agrees, as the only obligated person with respect to the Street Resurfacing Notes under the SEC Rule, to

provide notices, in the manner required for purposes of paragraph (b)(5)(i) of the SEC Rule.

(1) Information Filing. The Village further agrees, in particular, to provide, to the MSRB in an electronic format as prescribed by the MSRB and containing identifying information as prescribed by the MSRB, in a timely manner, notice of (A) any Specified Event, within 10 business days of the occurrence of a Specified Event, (B) any failure by the Village to appropriate funds to meet costs to be incurred to perform the Continuing Disclosure Agreement, and (C) the termination of the Continuing Disclosure Agreement.

(2) Disclosure Procedures. This Council further authorizes and directs the Fiscal Officer to establish procedures to ensure compliance by the Village with the Continuing Disclosure Agreement, including timely provision of notices as described above. Before providing notice of the occurrence of any events, the Fiscal Officer may consult with and obtain legal advice from bond counsel or other qualified independent special counsel selected by the Village. The Fiscal Officer, acting in the name and on behalf of the Village, may rely upon that legal advice in determining whether a filing should be made.

(3) Amendments. The Village reserves the right to amend the Continuing Disclosure Agreement, and to obtain the waiver of noncompliance with any provision of the Continuing Disclosure Agreement, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency, or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the Village, or type of business conducted by the Village. Any amendment or waiver will not be effective unless the Continuing Disclosure Agreement (as amended or taking into account that waiver) would have complied with the requirements of the SEC Rule at the time of the primary offering of the Street Resurfacing Notes, after taking into account any applicable amendments to or official interpretations of the SEC Rule, as well as any change in circumstances, and until the Village has received either (A) a written opinion of bond counsel or other qualified independent special counsel selected by the Village that the amendment or waiver would not materially impair the interests of Holders or beneficial owners of book-entry interests in the Street Resurfacing Notes, or (B) the written consent to the amendment or waiver by the Holders of at least a majority of the principal amount of the Street Resurfacing Notes then outstanding.

(4) Enforcement. The Continuing Disclosure Agreement will be solely for the benefit of the Holders of, and beneficial owners of book-entry interests in, the Street Resurfacing Notes. The exclusive remedy for any breach of the Continuing Disclosure Agreement by the Village will be limited, to the extent permitted by law, to a right of Holders and beneficial owners to institute and maintain legal proceedings to obtain the specific performance by the Village of its obligations under the Continuing Disclosure Agreement. Any individual

Holder or beneficial owner may institute and maintain those proceedings to require the Village to provide a filing if the filing is due and has not been made. Any proceedings to require the Village to perform any other obligation under the Continuing Disclosure Agreement (including any proceedings that contest the sufficiency of any filing) may be instituted and maintained only (A) by a trustee appointed by the Holders and beneficial owners of not less than 25% in principal amount of the Street Resurfacing Notes then outstanding, or (B) by Holders and beneficial owners of not less than 10% in principal amount of the Street Resurfacing Notes then outstanding, in accordance with Section 133.25(B)(4)(b) or (C)(1), Revised Code, as applicable, or any comparable successor provisions.

(5) Appropriation. The performance by the Village of the Continuing Disclosure Agreement will be subject to the annual appropriation of any funds that may be necessary to perform it.

(6) Term. The Continuing Disclosure Agreement will remain in effect only for the period that the Street Resurfacing Notes are outstanding in accordance with their terms and the Village is an obligated person with respect to the Street Resurfacing Notes within the meaning of the SEC Rule. The obligation of the Village to provide notices of the events described above will terminate if and when the Village is no longer an obligated person with respect to the Street Resurfacing Notes.

Section 10. Financing Costs. The Village retains the professional services and authorizes the payment of the Financing Costs for the Street Resurfacing Notes, as provided in this Section 10.

(a) Bond Counsel. The Village retains the legal services of Roetzel & Andress, A Legal Professional Association, as bond counsel for the Street Resurfacing 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 Street Resurfacing Notes and rendering legal opinions upon the delivery of the Street Resurfacing 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.

(b) Original Purchaser. This Council authorizes and directs the Fiscal Officer to select the Original Purchaser of the Street Resurfacing Notes in the Certificate of Award. The Original Purchaser will be paid for services in accordance with any Purchase Agreement or, if there is no Purchase Agreement, in accordance with its proposal as accepted by the Fiscal Officer in the Certificate of Award.

(c) Paying Agent. This Council authorizes and directs the Fiscal Officer to appoint a Paying Agent for the Street Resurfacing Notes. The Paying Agent must be a bank or trust company, may be the same entity serving as Registrar, and may provide paying agency services under the terms of its Registrar Agreement or under a separate paying agency agreement. The Village retains the services of the Paying Agent for the

Street Resurfacing Notes. The Paying Agent must be compensated for those services in accordance with any paying agency agreement or Registrar Agreement. Alternately, the Fiscal Officer may serve as Paying Agent for the Street Resurfacing Notes. The Paying Agent must be designated in the Certificate of Award.

(d) Registrar. This Council authorizes and directs the Fiscal Officer to appoint a Registrar for the Street Resurfacing Notes. The Registrar must be a financial institution able to complete transfer and exchange functions for the Street Resurfacing Notes in accordance with standards and conditions applicable to registered corporate securities. The Village retains the services of the Registrar for the Street Resurfacing Notes. The Registrar must perform the services as registrar, authenticating agent, paying agent, and transfer agent for the Street Resurfacing Notes as provided in this ordinance and any Registrar Agreement. The Registrar must be paid for those services in accordance with the Registrar Agreement. Alternately, the Fiscal Officer may serve as Registrar for the Street Resurfacing Notes. The Registrar must be designated in the Certificate of Award.

(e) Issuer's Counsel. The Village retains the legal services of DiCaudo, Pitchford & Yoder LLC as issuer's counsel the Street Resurfacing Notes. The legal services will be in the nature of legal advice and recommendations as to the documents in connection with the issuance and sale of the Street Resurfacing Notes. Issuer's counsel must render those services to the Village in an attorney-client relationship. Issuer's counsel must be paid just and reasonable compensation for those legal services.

(f) Ratings and Credit Enhancement. If, in the judgment of the Fiscal Officer, the filing of an application for (1) a rating on the Street Resurfacing Notes by one or more nationally recognized statistical rating organizations, or (2) a policy of insurance or other credit enhancement to better assure the payment of principal of and interest on the Street Resurfacing Notes, is in the best interest of and financially advantageous to the Village, the Fiscal Officer must prepare and submit those applications and provide to each of those rating agencies or insurance or other credit enhancement providers the information required for the purpose. This Council further authorizes the fees for those ratings and the premiums for the insurance or the fees for such credit enhancement programs to be included in Financing Costs authorized under (i) below.

(g) Financial Adviser. This Council retains the services of ACI Financial Advisors, LLC as financial adviser for the Street Resurfacing Notes. The financial adviser will be paid for those services in accordance with its letter of engagement. This Council authorizes the fees for the financial adviser's services to be included in the Financing Costs authorized under (i) below.

(h) 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 of Ohio, the Village, or any other political subdivision; or the execution of public trusts.

(i) 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 Street Resurfacing Notes. Those Financing Costs may be paid by the Original Purchaser. To the extent they are not paid by the Original Purchaser, this Council authorizes and directs the Fiscal Officer to provide for the payment of those Financing Costs from the proceeds of the Street Resurfacing Notes to the extent available and, otherwise, from any other funds lawfully available and appropriated for the purpose.

Section 11. Use of Proceeds. The proceeds from the sale of the Street Resurfacing Notes must be deposited and used as provided in this Section 11.

(a) Any accrued interest or premium received on the sale of the Street Resurfacing Notes must be deposited in the Bond Retirement Fund of the Village and be used for the payment of interest on the Street Resurfacing Notes at their maturity.

(b) The remainder of the proceeds must be paid into the proper fund or funds and used for the payment of any Financing Costs of the Notes to the extent that those Financing Costs are not paid by the Original Purchaser and to the extent that the Fiscal Officer determines to pay those Financing Costs from the proceeds of the Street Resurfacing Notes.

(c) The remainder of the proceeds must be paid into the proper fund or funds and used for the payment of the costs of the Project.

Section 12. Security and Source of Payment. The Street Resurfacing Notes will be general obligations of the Village.

(a) This Council pledges to the payment of Debt Service Charges on the Street Resurfacing 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.

(2) Any money remaining from the sale of the Street Resurfacing Notes after the payment of accrued interest or premium and the Financing Costs of the Street Resurfacing Notes and not required to refund the Street Resurfacing Notes.

(b) The Debt Service Charges on the Street Resurfacing 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 Street Resurfacing 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, subject to the Ten-mill Limitation, in an amount sufficient to pay Debt Service Charges on the Street Resurfacing Notes when due. The tax will be not less

than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax must 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 must 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 Charges on the Street Resurfacing Notes, when and as that Debt Service Charges falls due. In each year to the extent proceeds from the Village's municipal income tax are available for the payment of Debt Service Charges on the Street Resurfacing Notes and Bonds and are appropriated for the purpose, the amount of the tax shall be reduced by the amount of the income so available and appropriated. The Village hereby covenants that it will appropriate annually from municipal income taxes, and shall continue to levy and collect those municipal income taxes, in the amounts required to pay the principal of and interest on the Street Resurfacing Notes and Bonds when and as the same shall fall due. Additionally, if any of the following amounts are available for the payment of the Street Resurfacing Notes and are appropriated for that purpose, the amount of the tax levy in each year must be reduced by the amount available and appropriated:

- (1) Any surplus in the Bond Retirement Fund.
- (2) Proceeds received from the sale of any bonds issued to refund the Street Resurfacing Notes.
- (3) Any other money lawfully available to the Village.

Section 13. Federal Tax Matters. The Village covenants that it will take those actions required to maintain the Federal Tax Status of the Street Resurfacing 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 that portion of the Street Resurfacing Notes to those uses described in Section 11. The Village will not secure or derive the money for payment of Debt Service Charges on that portion of the Street Resurfacing Notes by any property or payments, and will not loan the proceeds of that portion of the Street Resurfacing Notes to any person, all in a manner as to cause that portion of the Street Resurfacing Notes to be "private activity bonds" within the meaning of Code Section 141(a).

(b) Arbitrage. The Village will restrict the use of proceeds of that portion of the Street Resurfacing Notes in the manner and to the extent as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Street Resurfacing Notes, so that that portion of the Street Resurfacing Notes will not constitute "arbitrage bonds" within the meaning of Code Section 148. The Fiscal Officer or any other official having responsibility for issuing the Street Resurfacing Notes, is authorized and directed, alone or in conjunction with any other officer, employee, or

consultant of the Village, to sign and deliver a certificate of the Village, for inclusion in the transcript of proceedings for the Street Resurfacing Notes, setting forth the reasonable expectations of the Village on the Closing Date, regarding the amount and use of the proceeds of that portion of the Street Resurfacing Notes in accordance with Code Section 148. If required, the Village will limit the yield on any "investment property" (as defined in Code Section 148(b)(2)) acquired with the proceeds of that portion of the Street Resurfacing Notes.

(c) Arbitrage Rebate. Unless the gross proceeds of that portion of the Street Resurfacing Notes are expended in accordance with one of the spending period exceptions set forth in Treas. Reg. Section 1.148-7, the Village will pay the amounts required by Code Section 148(f)(2) to the United States at the times required by Code Section 148(f)(3). The Village will maintain the books and records and make the calculations and reports that are required to comply with the Code's arbitrage rebate requirements.

(d) Federal Guarantee. The Village will not make loans of the proceeds of that portion of the Street Resurfacing Notes, or invest the proceeds of that portion of the Street Resurfacing Notes in a manner as to cause that portion of the Street Resurfacing Notes to be "federally guaranteed" within the meaning of Code Section 149(b).

(e) Information Reporting. This Council authorizes and directs the Fiscal Officer or any other official of the Village having responsibility for issuing the Street Resurfacing Notes to sign and file a Form 8038-G for that portion of the Street Resurfacing Notes with the Internal Revenue Service.

Section 14. Signing and Delivery of Street Resurfacing Notes and Documents. This Council authorizes and directs the Mayor and the Fiscal Officer, or the persons designated to sign in their absence, to sign and deliver the Street Resurfacing Notes in accordance with Section 6 of this ordinance. This Council authorizes and directs the Mayor and the Fiscal Officer, or either of them, to sign and approve a preliminary official statement, a final official statement, and supplements and amendments to both in accordance with Section 9 of this ordinance.

(a) This Council authorizes and directs the Fiscal Officer to sign and deliver, on behalf of the Village:

- (1) The Certificate of Award.
- (2) Any Registrar Agreement.
- (3) Any Purchase Agreement.
- (4) Any paying agency agreement.
- (5) Any agreements or letters of representation in connection with a book-entry system for the Street Resurfacing Notes.

(6) Applications for and agreements in connection with obtaining a policy of municipal bond insurance for the Street Resurfacing Notes.

(7) Applications for and agreements in connection with obtaining one or more ratings for the Street Resurfacing Notes.

(b) This Council authorizes and directs the Fiscal Officer to sign and deliver, on behalf of the Village, in her capacity as fiscal officer of the Village, any certificates required under Section 5705.41, Revised Code, for any of the agreements in connection with the Street Resurfacing Notes.

(c) This Council authorizes and directs the Mayor, the Solicitor, the Fiscal Officer, the President of Council and any other Village officials:

(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 Street Resurfacing Notes and that are not inconsistent with this ordinance; and

(2) to take any actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance.

(d) The Standby Note Purchase Agreement is hereby authorized in the form presented to the Council with such changes not materially adverse to the Village as may be approved by the officers of the Village executing the Standby Note Purchase Agreement. The Village acknowledges the agreement of the Treasurer in the Standby Note Purchase Agreement that, in the event the Village is unable to repay the principal amount and accrued and unpaid interest of the Street Resurfacing Notes at their maturity, whether through its own funds or through the issuance of other obligations of the Village, the Treasurer agrees (a) to purchase the Street Resurfacing Notes from the Holders or beneficial owners thereof upon their presentation to the Treasurer for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of the Village in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at a rate equal to 1-year MMD AAA plus 400 basis points, maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer's purchase of such renewal notes the Village shall deliver to the Treasurer an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding general obligations of the Village, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes within the ten-mill limitation imposed by law on all property subject to ad valorem taxes levied by the Village and (ii) interest on the renewal notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code as amended to the same extent that interest on the Notes is so excluded.

(e) The officers signing the Street Resurfacing Notes are authorized to take all actions that may in their judgment reasonably be necessary to provide for the Standby Note Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Street Resurfacing Notes providing notice to the Holders or beneficial owners of the existence of such Standby Note Purchase Agreement and providing instructions to such Holders or beneficial owners regarding the presentation of the Street Resurfacing Notes for purchase by the Treasurer at stated maturity.

Section 15. Certification to County Fiscal Officer. This Council directs the Fiscal Officer to forward a certified copy of this ordinance and a copy of the Certificate of Award to the County Fiscal Officer.

Section 16. Emergency and Effective Date. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, welfare, and safety of the Village and for the further reason that the Street Resurfacing Notes must be sold promptly in order to pay the costs of the Project; wherefore, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest period allowed by law.

PASSED:

BILL GONCY, Mayor

ATTEST:

I, BETTY KLINGENBERG, Fiscal Officer and Clerk of the Council for the Village of Boston Heights, Summit County, Ohio do hereby certify that the foregoing Ordinance **2014-4-12** was duly passed by the Council of the Village of Boston Heights, County of Summit, State of Ohio at a meeting of Council on this ___ day of _____, 2014.

BETTY KLINGENBERG, FISCAL OFFICER

VILLAGE OF BOSTON HEIGHTS
ORDINANCE NO: 2014-4-13
SECOND READING

**ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES IN A
MAXIMUM PRINCIPAL AMOUNT OF \$250,000 IN
ANTICIPATION OF THE ISSUANCE OF BONDS. TO PAY THE COSTS OF
CONSTRUCTING, RECONSTRUCTING, WIDENING AND OTHERWISE
IMPROVING HINES HILL ROAD AND RELOCATING SANITARY SEWER LINES IN
CONNECTION THEREWITH AND DECLARING AN EMERGENCY.**

BE IT ORDAINED by the Council of the Village of Boston Heights, Ohio:

Section 1. Definitions. Words and terms are used in this ordinance with the following meanings:

"Authorized Denominations" means the denomination of \$5,000 or any whole multiple of \$5,000.

"Bonds" means the bonds anticipated by the Street Improvement Notes.

"Certificate of Award" means the certificate authorized by Section 8 of this ordinance, setting forth the terms and other provisions of the Street Improvement Notes required or authorized by this ordinance.

"Closing Date" means the date of delivery of and payment for the Street Improvement Notes.

"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.

"Continuing Disclosure Agreement" means the continuing disclosure agreement made by the Village for the benefit of Holders and beneficial owners of the Street Improvement Notes in accordance with the SEC Rule. It consists of the covenants in Section 9(b) of this ordinance.

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

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in securities or the principal of and interest on securities, and to effect transfers of securities in book-entry form and means initially The Depository Trust Company, New York, New York, a limited purpose trust company.

"EMMA System" means the MSRB's Electronic Municipal Market Access system.

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

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

"Holder" means, as to any Street Improvement Note, the person in whose name the Street Improvement Note is registered on the Register.

"MSRB" means the Municipal Securities Rulemaking Board.

"Note Proceedings" means, collectively, this ordinance, the Certificate of Award, any Purchase Agreement, any paying agency agreement, any registrar agreement, the Continuing Disclosure Agreement, and the other proceedings of the Village, including the Street Improvement Notes, that provide collectively for, among other things, the rights of Holders and beneficial owners of the Street Improvement Notes.

"Original Purchaser" means the original purchaser of the Street Improvement Notes designated in the Certificate of Award, in accordance with Section 8(c).

"Paying Agent" means (a) the entity designated as the Paying Agent by the Fiscal Officer in the Certificate of Award in accordance with Section 10(c), or (b) the Fiscal Officer, if she determines to serve in that capacity.

"Program" means the Ohio Market Access Program - Note Wrap offered by the Treasurer.

"Project" means paying the costs constructing, reconstructing, widening and otherwise improving Hines Hill Road and relocating sanitary sewer lines in connection therewith.

"Purchase Agreement" means any Note Purchase Agreement between the Village and the Original Purchaser, entered into in accordance with Section 8.

"Register" means all books and records necessary for the registration, exchange, and transfer of the Street Improvement Notes.

"Registrar" means (a) the entity designated as the Registrar by the Fiscal Officer in the Certificate of Award in accordance with Section 10(d), or (b) the Fiscal Officer, if she determines to serve in that capacity.

"Registrar Agreement" means any Registrar Agreement between the Village and the Registrar.

"SEC Rule" means SEC Rule 15c2-12.

"Specified Events" means any of the events specified in SEC Rule Section (b)(5)(i)(C), as in effect and applicable to the Street Improvement Notes at the time of the primary offering of the Street Improvement Notes.

"Standby Note Purchase Agreement" means the Standby Note Purchase Agreement between the Village and the Treasurer.

"Street Improvement Notes" means the bond anticipation notes authorized by Section 3 of this ordinance.

"Ten-mill Limitation" means the "ten-mill limitation" defined in Section 5705.02, Ohio Revised Code.

"Treasurer" means the Treasurer of State of the State of Ohio.

Section 2. Findings and Determinations. This Council makes the following findings and determinations:

(a) It is necessary for the Village to issue the Bonds to pay the costs of the Project. It is necessary to issue the Street Improvement Notes in anticipation of the Bonds for the purpose of (1) paying the costs of the Project, and (2) paying the Financing Costs of the Street Improvement Notes.

(b) The Fiscal Officer has certified to this Council the maximum maturity of the Bonds and notes issued in anticipation of the Bonds.

(c) All acts and conditions necessary to be performed by the Village or to have been met for the issuance of the Street Improvement 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 Street Improvement Notes, as required by law.

(d) No statutory or constitutional limitation of indebtedness or taxation will be exceeded by the issuance of the Street Improvement Notes.

(e) 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 the law.

Section 3. Estimated Bond Terms. The Bonds will have the following terms:

(a) Amount and Rate. The Bonds will be issued in the maximum principal amount of \$250,000 and will bear interest at the estimated average annual interest rate of 5%.

(b) Term. The Bonds will mature serially over a period of 25 years in accordance with the following estimated principal payment schedule:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
1	\$10,000	14	\$10,000
2	10,000	15	10,000
3	10,000	16	10,000
4	10,000	17	10,000
5	10,000	18	10,000
6	10,000	19	10,000
7	10,000	20	10,000
8	10,000	21	10,000
9	10,000	22	10,000
10	10,000	23	10,000
11	10,000	24	10,000
12	10,000	25	10,000
13	10,000		

(c) Debt Service Charges. The Bonds will be payable as to Debt Service Charges from any money of the Village lawfully available and appropriated for that purpose and, if that money is insufficient, from the proceeds of an ad valorem tax to be levied on all property within the Village, subject to the Ten-Mill Limitation.

Section 4. Note Terms. The Street Improvement Notes will have the following terms:

(a) Amount. The Street Improvement Notes will be issued in the principal amount of \$250,000 or any lesser principal amount as determined by the Fiscal Officer in the Certificate of Award.

(b) Date. The Street Improvement Notes will be dated the Closing Date, or any other date, not more than 31 days before the Closing Date, as determined by the Fiscal Officer in the Certificate of Award.

(c) Maturity. The Street Improvement Notes will mature one year from their date. The Fiscal Officer may, if she determines it to be in the best interests of the Village, establish a different maturity date, less than one year from the Closing Date.

(d) Interest. The Street Improvement Notes will bear interest from their date at a rate not to exceed 8% per annum, payable at maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. There is further hereby authorized an after-maturity interest rate as established in the materials for the Program should the Village determine to participate and be approved for participation in such Program as further described in Section 14 herein.

(e) The rate of interest on the Street Improvement Notes must be determined by the Fiscal Officer in the Certificate of Award.

(f) Redemption before Stated Maturity. The Street Improvement Notes will not be subject to redemption before maturity, unless otherwise determined by the Fiscal

Officer in the Certificate of Award. The Fiscal Officer may determine, in the Certificate of Award, to provide that the Street Improvement Notes will be subject to redemption and may establish, in the Certificate of Award, notice provisions for that redemption and any price for that redemption. The redemption price may be any percentage of the principal amount redeemed, not exceeding 110%.

(g) Form, Numbering, and Denomination. The Street Improvement Notes must be issued in fully registered form. They must be issued in book-entry form unless the Fiscal Officer determines in the Certificate of Award that it would not be in the best interest of the Village for the Street Improvement Notes to be in book-entry form. They must be issued in Authorized Denominations and in the numbers and amounts as requested by the Original Purchaser and approved by the Fiscal Officer. They must be numbered as determined by the Fiscal Officer in a manner to distinguish each Street Improvement Note from any other Street Improvement Note. They must express on their faces the purpose for which they are issued and that they are issued in accordance with this ordinance. The Street Improvement Notes will be designated "Street Improvement Bond Anticipation Notes, Series 2014," unless otherwise designated in the Certificate of Award.

Section 5. Payment. The Debt Service Charges on the Street Improvement Notes will be payable when due in lawful money of the United States of America, without deduction for the services of the Paying Agent, upon presentation and surrender of the Street Improvement Notes at the office of the Paying Agent.

Section 6. Signing and Authentication.

(a) Signing. The Street Improvement Notes must be signed on behalf of the Village by the Mayor and the Fiscal Officer. Both signatures on the Street Improvement Notes may be facsimiles.

(b) Authentication. No Street Improvement Note will be valid or obligatory for any purpose or will be entitled to any security or benefit under the Note Proceedings unless and until the certificate of authentication printed on the note certificate is signed by the Registrar as authenticating agent. Authentication by the Registrar will be conclusive evidence that the Street Improvement Note so authenticated has been duly issued, signed, and delivered under, and is entitled to the security and benefit of, the Note Proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Registrar or by any other person acting as an agent of the Registrar and approved by the Fiscal Officer on behalf of the Village. The same person need not sign the certificate of authentication on all of the Street Improvement Notes.

Section 7. Registration, Transfer, and Exchange; Book-Entry System.

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

Proceedings. Payment of the Debt Service Charges on any Street Improvement Note will be made only to, or on the order of, that person.

(b) Transfer and Exchange. Any Street Improvement Note may be transferred or exchanged for Street Improvement Notes of any Authorized Denomination, upon presentation and surrender of that Street Improvement Note at the office of the Registrar, together with a request for exchange or an assignment signed by the Holder or by a person legally empowered to do so on behalf of the Holder, in a form satisfactory to the Registrar. The Registrar must complete, authenticate, and deliver new Street Improvement Notes, upon an exchange, to the Holder or its agent or, upon a transfer, to the new Holder of the transferred Street Improvement Notes or its agent, in Authorized Denominations equal in the aggregate to the principal amount of the Street Improvement Notes surrendered. Every exchange or transfer of the Street Improvement Notes will be made without charge to the Holders, except that the Village and the Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required for the exchange or transfer.

If manual signatures on behalf of the Village are required, the Registrar will undertake the exchange or transfer of a Street Improvement Note only after the new Street Improvement Note is signed by the authorized officers of the Village. In all cases of Street Improvement Notes exchanged or transferred, the Village will sign, and the Registrar will authenticate and deliver Street Improvement Notes in accordance with the provisions of the Note Proceedings. The exchange or transfer will be without charge to the Holder, except that the Village and the Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Village or the Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Street Improvement Notes issued and authenticated upon any exchange or transfer will be valid obligations of the Village, evidencing the same debt, and entitled to the same security and benefit under the Note Proceedings as the Street Improvement Notes surrendered upon that exchange or transfer. Neither the Village nor the Registrar will be required to make any exchange or transfer of any Street Improvement Note selected for redemption, in whole or in part.

(c) Book-Entry System. Unless otherwise provided in the Certificate of Award, the Street Improvement Notes must be originally issued in book-entry form to a Depository, initially The Depository Trust Company, for use in a book-entry system.

The Village and the Registrar must recognize and treat the Depository as the owner of the Street Improvement Notes for all purposes, including payment of Debt Service Charges, redemption and other notices, and enforcement of remedies.

If any Depository determines not to continue to act as a Depository for the Street Improvement Notes for use in a book-entry system or if the Village determines to discontinue the book-entry system, the Fiscal Officer may attempt to establish a securities depository relationship with another qualified Depository. If the Fiscal Officer does not do so, the Fiscal Officer must direct the Registrar to make provision for notification of

the book-entry interest owners by the Depository and to make any other arrangements necessary for the withdrawal of the Street Improvement Notes from the book-entry system, including the authentication and delivery of replacement Street Improvement Note certificates.

Section 8. Sale of the Street Improvement Notes.

(a) Private Sale. This Council authorizes and directs the Fiscal Officer to sell the Street Improvement Notes in a private sale to the Original Purchaser. The purchase price of the Street Improvement Notes must not be less than 97% of the aggregate principal amount of the Street Improvement Notes, plus any interest accrued on the Street Improvement Notes from their date to the Closing Date. The Fiscal Officer may either sell the Street Improvement Notes to an investment banker, acting as underwriter, or to a financial institution or other entity or person in a private placement. The Fiscal Officer may enter into a Purchase Agreement with the Original Purchaser in that private sale, or may sell the Street Improvement Notes without a Purchase Agreement. The Fiscal Officer may sell the Street Improvement Notes at the same time, in the same manner, and in the same offering with other securities of the Village, whether or not those other securities have been consolidated with the Street Improvement Notes.

(b) Consolidation. If the Fiscal Officer determines it to be in the best interest of the Village, she may combine the Street Improvement Notes with one or more other general obligation bond anticipation notes of the Village, payable from taxes subject to the Ten-Mill Limitation.

(c) Certificate of Award. The Fiscal Officer must deliver a Certificate of Award to the Original Purchaser in connection with the sale of the Street Improvement Notes. The Fiscal Officer must state the following in the Certificate of Award: the principal amount of the Street Improvement Notes; the interest rate on the Street Improvement Notes; the purchase price for the Street Improvement Notes; the designated Registrar and Paying Agent; the Original Purchaser; and any other terms required by this ordinance. The Fiscal Officer may state the following in the Certificate of Award: any changes in the date, the maturity date, the redemption provisions, and the designation of the Street Improvement Notes; and any other terms authorized by this ordinance, subject to the limitations stated in this ordinance.

(d) Delivery. The Fiscal Officer must cause the Street Improvement Notes to be prepared, signed, and delivered to the Original Purchaser. This Council authorizes and directs the Fiscal Officer to deliver a true transcript of proceedings for the issuance of the Street Improvement Notes to the Original Purchaser upon payment of the purchase price.

Section 9. Disclosure.

(a) Primary Offering Disclosure - Official Statement. This Council authorizes and directs the Mayor and the Fiscal Officer, or either of them, (1) to prepare or cause to be prepared, and to make or authorize modifications, completions, or changes of or supplements to, a disclosure document in the form of an official statement, (2) to

determine, and certify or otherwise represent, when the official statement is to be "deemed final" (except for permitted omissions) or is a final official statement for purposes of the SEC Rule, (3) to use and distribute, or authorize the use and distribution of, that official statement and any supplements in connection with the original issuance of the Street Improvement Notes, and (4) to complete and sign the final official statement together with certificates, statements, or other documents in connection with the finality, accuracy, and completeness of that official statement.

(b) Secondary Market Disclosure - Continuing Disclosure Agreement. For the benefit of the Holders of the Street Improvement Notes and the beneficial owners of book-entry interests in the Street Improvement Notes, the Village agrees, as the only obligated person with respect to the Street Improvement Notes under the SEC Rule, to provide notices, in the manner required for purposes of paragraph (b)(5)(i) of the SEC Rule.

(1) Information Filing. The Village further agrees, in particular, to provide, to the MSRB in an electronic format as prescribed by the MSRB and containing identifying information as prescribed by the MSRB, in a timely manner, notice of (A) any Specified Event, within 10 business days of the occurrence of a Specified Event, (B) any failure by the Village to appropriate funds to meet costs to be incurred to perform the Continuing Disclosure Agreement, and (C) the termination of the Continuing Disclosure Agreement.

(2) Disclosure Procedures. This Council further authorizes and directs the Fiscal Officer to establish procedures to ensure compliance by the Village with the Continuing Disclosure Agreement, including timely provision of notices as described above. Before providing notice of the occurrence of any events, the Fiscal Officer may consult with and obtain legal advice from bond counsel or other qualified independent special counsel selected by the Village. The Fiscal Officer, acting in the name and on behalf of the Village, may rely upon that legal advice in determining whether a filing should be made.

(3) Amendments. The Village reserves the right to amend the Continuing Disclosure Agreement, and to obtain the waiver of noncompliance with any provision of the Continuing Disclosure/Agreement, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency, or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the Village, or type of business conducted by the Village. Any amendment or waiver will not be effective unless the Continuing Disclosure Agreement (as amended or taking into account that waiver) would have complied with the requirements of the SEC Rule at the time of the primary offering of the Street Improvement Notes, after taking into account any applicable amendments to or official interpretations of the SEC Rule, as well as any change in circumstances, and until the Village has received either (A) a written opinion of bond counsel or other qualified independent special counsel selected by the Village that the amendment or waiver would not

materially impair the interests of Holders or beneficial owners of book-entry interests in the Street Improvement Notes, or (B) the written consent to the amendment or waiver by the Holders of at least a majority of the principal amount of the Street Improvement Notes then outstanding.

(4) Enforcement. The Continuing Disclosure Agreement will be solely for the benefit of the Holders of, and beneficial owners of book-entry interests in, the Street Improvement Notes. The exclusive remedy for any breach of the Continuing Disclosure Agreement by the Village will be limited, to the extent permitted by law, to a right of Holders and beneficial owners to institute and maintain legal proceedings to obtain the specific performance by the Village of its obligations under the Continuing Disclosure Agreement. Any individual Holder or beneficial owner may institute and maintain those proceedings to require the Village to provide a filing if the filing is due and has not been made. Any proceedings to require the Village to perform any other obligation under the Continuing Disclosure Agreement (including any proceedings that contest the sufficiency of any filing) may be instituted and maintained only (A) by a trustee appointed by the Holders and beneficial owners of not less than 25% in principal amount of the Street Improvement Notes then outstanding, or (B) by Holders and beneficial owners of not less than 10% in principal amount of the Street Improvement Notes then outstanding, in accordance with Section 133.25(B)(4)(b) or (C)(1), Revised Code, as applicable, or any comparable successor provisions.

(5) Appropriation. The performance by the Village of the Continuing Disclosure Agreement will be subject to the annual appropriation of any funds that may be necessary to perform it.

(6) Term. The Continuing Disclosure Agreement will remain in effect only for the period that the Street Improvement Notes are outstanding in accordance with their terms and the Village is an obligated person with respect to the Street Improvement Notes within the meaning of the SEC Rule. The obligation of the Village to provide notices of the events described above will terminate if and when the Village is no longer an obligated person with respect to the Street Improvement Notes.

Section 10. Financing Costs. The Village retains the professional services and authorizes the payment of the Financing Costs for the Street Improvement Notes, as provided in this Section 10.

(a) Bond Counsel. The Village retains the legal services of Roetzel & Andress, A Legal Professional Association, as bond counsel for the Street Improvement 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 Street Improvement Notes and rendering legal opinions upon the delivery of the Street Improvement 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.

(b) Original Purchaser. This Council authorizes and directs the Fiscal Officer to select the Original Purchaser of the Street Improvement Notes in the Certificate of Award. The Original Purchaser will be paid for services in accordance with any Purchase Agreement or, if there is no Purchase Agreement, in accordance with its proposal as accepted by the Fiscal Officer in the Certificate of Award.

(c) Paying Agent. This Council authorizes and directs the Fiscal Officer to appoint a Paying Agent for the Street Improvement Notes. The Paying Agent must be a bank or trust company, may be the same entity serving as Registrar, and may provide its paying agency services under the terms of its Registrar Agreement or under a separate paying agency agreement. The Village retains the services of the Paying Agent for the Street Improvement Notes. The Paying Agent must be compensated for those services in accordance with any paying agency agreement or Registrar Agreement. Alternately, the Fiscal Officer may serve as Paying Agent for the Street Improvement Notes. The Paying Agent must be designated in the Certificate of Award.

(d) Registrar. This Council authorizes and directs the Fiscal Officer to appoint a Registrar for the Street Improvement Notes. The Registrar must be a financial institution able to complete transfer and exchange functions for the Street Improvement Notes in accordance with standards and conditions applicable to registered corporate securities. The Village retains the services of the Registrar for the Street Improvement Notes. The Registrar must perform the services as registrar, authenticating agent, paying agent, and transfer agent for the Street Improvement Notes as provided in this ordinance and any Registrar Agreement. The Registrar must be paid for those services in accordance with the Registrar Agreement. Alternately, the Fiscal Officer may serve as Registrar for the Street Improvement Notes. The Registrar must be designated in the Certificate of Award.

(e) Issuer's Counsel. The Village retains the legal services of DiCaudo, Pitchford & Yoder LLC as issuer's counsel the Street Improvement Notes. The legal services will be in the nature of legal advice and recommendations as to the documents in connection with the issuance and sale of the Street Improvement Notes. Issuer's counsel must render those services to the Village in an attorney-client relationship. Issuer's counsel must be paid just and reasonable compensation for those legal services.

(f) Ratings and Credit Enhancement. If, in the judgment of the Fiscal Officer, the filing of an application for (1) a rating on the Street Improvement Notes by one or more nationally recognized statistical rating organizations, or (2) a policy of insurance or other credit enhancement to better assure the payment of principal of and interest on the Street Improvement Notes, is in the best interest of and financially advantageous to the Village, the Fiscal Officer must prepare and submit those applications and provide to each of those rating agencies or insurance or other credit enhancement providers the information required for the purpose. This Council further authorizes the fees for those ratings and the premiums for the insurance or the fees for such credit enhancement programs to be included in Financing Costs authorized under (i) below.

(g) Financial Adviser. This Council retains the services of ACI Financial Advisors, LLC as financial adviser for the Street Improvement Notes. The financial adviser will be paid for those services in accordance with its letter of engagement. This Council authorizes the fees for the financial adviser's services to be included in the Financing Costs authorized under (i) below.

(h) 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 of Ohio, the Village, or any other political subdivision; or the execution of public trusts.

(i) 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 Street Improvement Notes. Those Financing Costs may be paid by the Original Purchaser. To the extent they are not paid by the Original Purchaser, this Council authorizes and directs the Fiscal Officer to provide for the payment of those Financing Costs from the proceeds of the Street Improvement Notes to the extent available and, otherwise, from any other funds lawfully available and appropriated for the purpose.

Section 11. Use of Proceeds. The proceeds from the sale of the Street Improvement Notes must be deposited and used as provided in this Section 11.

(a) Any accrued interest or premium received on the sale of the Street Improvement Notes must be deposited in the Bond Retirement Fund of the Village and be used for the payment of interest on the Street Improvement Notes at their maturity.

(b) The remainder of the proceeds must be paid into the proper fund or funds and used for the payment of any Financing Costs of the Notes to the extent that those Financing Costs are not paid by the Original Purchaser and to the extent that the Fiscal Officer determines to pay those Financing Costs from the proceeds of the Street Improvement Notes.

(c) The remainder of the proceeds must be paid into the proper fund or funds and used for the payment of the costs of the Project.

Section 12. Security and Source of Payment. The Street Improvement Notes will be general obligations of the Village.

(a) This Council pledges to the payment of Debt Service Charges on the Street Improvement 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.

(2) Any money remaining from the sale of the Street Improvement Notes after the payment of accrued interest or premium and the Financing Costs of the Street Improvement Notes and not required to refund the Street Improvement Notes.

(b) The Debt Service Charges on the Street Improvement 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 Street Improvement 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, subject to the Ten-mill Limitation, in an amount sufficient to pay Debt Service Charges on the Street Improvement Notes when due. The tax will be not less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax must 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 must 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 Charges on the Street Improvement Notes, when and as that Debt Service Charges falls due. In each year to the extent proceeds from the Village's municipal income tax are available for the payment of Debt Service Charges on the Street Improvement Notes and Bonds and are appropriated for the purpose, the amount of the tax shall be reduced by the amount of the income so available and appropriated. The Village hereby covenants that it will appropriate annually from municipal income taxes, and shall continue to levy and collect those municipal income taxes, in the amounts required to pay the principal of and interest on the Street Improvement Notes and Bonds when and as the same shall fall due. Additionally, if any of the following amounts are available for the payment of the Street Improvement Notes and are appropriated for that purpose, the amount of the tax levy in each year must be reduced by the amount available and appropriated:

(1) Any surplus in the Bond Retirement Fund.

(2) Proceeds received from the sale of any bonds issued to refund the Street Improvement Notes.

(3) Any other money lawfully available to the Village.

Section 13. Federal Tax Matters. The Village covenants that it will take those actions required to maintain the Federal Tax Status of the Street Improvement 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 that portion of the Street Improvement Notes to those uses described in

Section 11. The Village will not secure or derive the money for payment of Debt Service Charges on that portion of the Street Improvement Notes by any property or payments, and will not loan the proceeds of that portion of the Street Improvement Notes to any person, all in a manner as to cause that portion of the Street Improvement Notes to be "private activity bonds" within the meaning of Code Section 141(a).

(b) Arbitrage. The Village will restrict the use of proceeds of that portion of the Street Improvement Notes in the manner and to the extent as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Street Improvement Notes, so that that portion of the Street Improvement Notes will not constitute "arbitrage bonds" within the meaning of Code Section 148. The Fiscal Officer or any other official having responsibility for issuing the Street Improvement Notes, is authorized and directed, alone or in conjunction with any other officer, employee, or consultant of the Village, to sign and deliver a certificate of the Village, for inclusion in the transcript of proceedings for the Street Improvement Notes, setting forth the reasonable expectations of the Village on the Closing Date, regarding the amount and use of the proceeds of that portion of the Street Improvement Notes in accordance with Code Section 148. If required, the Village will limit the yield on any "investment property" (as defined in Code Section 148(b)(2)) acquired with the proceeds of that portion of the Street Improvement Notes.

(c) Arbitrage Rebate. Unless the gross proceeds of that portion of the Street Improvement Notes are expended in accordance with one of the spending period exceptions set forth in Treas. Reg. Section 1.148-7, the Village will pay the amounts required by Code Section 148(f)(2) to the United States at the times required by Code Section 148(f)(3). The Village will maintain the books and records and make the calculations and reports that are required to comply with the Code's arbitrage rebate requirements.

(d) Federal Guarantee. The Village will not make loans of the proceeds of that portion of the Street Improvement Notes, or invest the proceeds of that portion of the Street Improvement Notes in a manner as to cause that portion of the Street Improvement Notes to be "federally guaranteed" within the meaning of Code Section 149(b).

(e) Information Reporting. This Council authorizes and directs the Fiscal Officer or any other official of the Village having responsibility for issuing the Street Improvement Notes to sign and file a Form 8038-G for that portion of the Street Improvement Notes with the Internal Revenue Service.

Section 14. Signing and Delivery of Street Improvement Notes and Documents. This Council authorizes and directs the Mayor and the Fiscal Officer, or the persons designated to sign in their absence, to sign and deliver the Street Improvement Notes in accordance with Section 6 of this ordinance. This Council authorizes and directs the Mayor and the Fiscal Officer, or either of them, to sign and approve a preliminary official statement, a final official statement, and supplements and amendments to both in accordance with Section 9 of this ordinance.

(a) This Council authorizes and directs the Fiscal Officer to sign and deliver, on behalf of the Village:

(1) The Certificate of Award.

(2) Any Registrar Agreement.

(3) Any Purchase Agreement.

(4) Any paying agency agreement.

(5) Any agreements or letters of representation in connection with a book-entry system for the Street Improvement Notes.

(6) Applications for and agreements in connection with obtaining a policy of municipal bond insurance for the Street Improvement Notes.

(7) Applications for and agreements in connection with obtaining one or more ratings for the Street Improvement Notes.

(b) This Council authorizes and directs the Fiscal Officer to sign and deliver, on behalf of the Village, in her capacity as fiscal officer of the Village, any certificates required under Section 5705.41, Revised Code, for any of the agreements in connection with the Street Improvement Notes.

(c) This Council authorizes and directs the Mayor, the Solicitor, the Fiscal Officer, the President of Council and any other Village officials:

(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 Street Improvement Notes and that are not inconsistent with this ordinance; and

(2) to take any actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance.

(d) The Standby Note Purchase Agreement is hereby authorized in the form presented to the Council with such changes not materially adverse to the Village as may be approved by the officers of the Village executing the Standby Note Purchase Agreement. The Village acknowledges the agreement of the Treasurer in the Standby Note Purchase Agreement that, in the event the Village is unable to repay the principal amount and accrued and unpaid interest of the Street Improvement Notes at their maturity, whether through its own funds or through the issuance of other obligations of the Village, the Treasurer agrees (a) to purchase the Street Improvement Notes from the Holders or beneficial owners thereof upon their presentation to the Treasurer for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of the Village in a principal amount not greater than the principal amount of the Notes

plus interest due at maturity, with such renewal notes bearing interest at a rate equal to 1-year MMD AAA plus 400 basis points, maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer's purchase of such renewal notes the Village shall deliver to the Treasurer an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding general obligations of the Village, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes within the ten-mill limitation imposed by law on all property subject to ad valorem taxes levied by the Village and (ii) interest on the renewal notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code as amended to the same extent that interest on the Notes is so excluded.

The officers signing the Street Improvement Notes are authorized to take all actions that may in their judgment reasonably be necessary to provide for the Standby Note Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Street Improvement Notes providing notice to the Holders or beneficial owners of the existence of such Standby Note Purchase Agreement and providing instructions to such Holders or beneficial owners regarding the presentation of the Street Improvement Notes for purchase by the Treasurer at stated maturity.

Section 15. Certification to County Fiscal Officer. This Council directs the Fiscal Officer to forward a certified copy of this ordinance and a copy of the Certificate of Award to the County Fiscal Officer.

Section 16. Emergency and Effective Date. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, welfare, and safety of the Village and for the further reason that the Street Improvement Notes must be sold promptly in order to pay the costs of the Project; wherefore, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest period allowed by law.

PASSED:

BILL GONCY, Mayor

ATTEST:

I, BETTY KLINGENBERG, Fiscal Officer and Clerk of the Council for the Village of Boston Heights, Summit County, Ohio do hereby certify that the foregoing Ordinance **2014-4-13** was duly passed by the Council of the Village of Boston Heights, County of Summit, State of Ohio at a meeting of Council on this ___ day of _____, 2014.

BETTY KLINGENBERG, FISCAL OFFICER