

ORDINANCE NO. L-07

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF \$1,500,000 ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2007, TO PAY COSTS OF ACQUIRING REAL ESTATE AND IMPROVING THE SITE THEREOF BY INSTALLING STREET LIGHTING AND STORM SEWERS AND OTHERWISE IMPROVING THE SAME FOR THE PURPOSE OF DEVELOPING AN INDUSTRIAL PARK IN ORDER TO CREATE AND PRESERVE JOBS AND EMPLOYMENT OPPORTUNITIES, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Orrville, Ohio is authorized by virtue of the laws of the State of Ohio, including, without limitation, Section 13 of Article VIII, Ohio Constitution, and Chapter 165 of the Ohio Revised Code (the Act), among other things, to issue bonds to acquire, construct, equip, or improve a “project” as defined in Section 165.01 of the Ohio Revised Code, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State of Ohio; and

WHEREAS, the City has determined to issue its bonds pursuant to the Act to pay costs of acquiring real estate and improving the site thereof by installing street lighting and storm sewers and otherwise improving the same for the purpose of developing an industrial park in order to create and preserve jobs and employment opportunities (the Project); and

WHEREAS, the Director of Finance of the City, as the officer in charge of investments of the City under Section 4.06 of the City’s Charter, has indicated to this Council that he would purchase the bonds, which are lawful investments under applicable law, including Section 165.08 of the Ohio Revised Code, bearing the terms set forth herein as an investment of available City funds, pursuant to the City’s investment policy, and thereby save this City additional costs and expenses which would be incurred by a public sale of such bonds;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Orrville, Wayne County, Ohio, that:

Section 1: This Council finds and determines that the Project is a “project” as defined in the Act and is consistent with the purposes of Section 13, Article VIII of the Ohio Constitution, and the utilization of the Project is in furtherance of the purposes of the Act and will benefit the people of the City and of the State by creating and preserving jobs and employment opportunities and improving the economic welfare of the people of the

City and of the State. This Council further finds and determines that it is necessary issue to bonds of this City in the aggregate principal amount of \$1,500,000 (the Bonds) to pay costs of the Project, including paying any costs and expenses associated with the issuance of the Bonds. The Bonds shall be issued in accordance with the terms and provisions of this ordinance and the Act. The Bonds shall be payable and secured as provided herein.

Section 2: The Bonds shall be designated “Economic Development Revenue Bonds, Series 2007” and shall be issued in one lot and only as fully registered bonds, in the denominations of \$5,000 or any integral multiple thereof, but in no case as to a particular maturity date exceeding the principal amount maturing on that date, provided, however, that the principal amount of the Bonds may be represented by a single manuscript bond with a payment schedule attached thereto setting forth the maturing installments when due on the Bonds as set forth below and the interest when due on the Bonds. The Bonds shall be dated as of their date of issuance.

The Bonds shall bear interest at the rate of 5% per year (computed on a 360-day per year basis), payable on August 1 of each year (the Interest Payment Dates), commencing August 1, 2008, until the principal amount has been paid or provided for. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date of issuance.

The Bonds shall mature on August 1 of each year as follows:

Principal			
<u>Principal Year Amount</u>	<u>Amount</u>	<u>Year</u>	
2008	\$120,000	2013	\$150,000
2009	125,000	2014	160,000
2010	130,000	2015	170,000
2011	140,000	2016	175,000
2012	145,000	2017	185,000

The Bonds shall be subject to redemption prior to stated maturity by and at the option of the City, in whole or in part on any date and at any time after the issuance of the Bonds, in integral multiples of \$5,000 at a redemption price of par plus accrued interest to the redemption date. Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the City to the Bond Registrar (as defined in Section 4), given upon the direction of the Director of Finance. That notice shall specify the redemption date and the principal amount of each maturity of Bonds to be redeemed, and shall be given at least 15 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as hereinafter provided, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other money available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. If fewer than all of the outstanding Bonds are called for redemption at one time, they shall be called in such order as determined by the Director of Finance. If fewer than

all Bonds of a single maturity are to be redeemed, the selection of Bonds to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (i) for payment of the redemption price of the \$5,000 unit or units called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (ii) for issuance, without charge to the registered owner, of a new Bond or Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

The Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus interest accrued to the redemption date. If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If that money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All money held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

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

Section 4: The Director of Finance of the City of Orrville, Ohio is appointed to act as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds (the Bond Registrar).

Section 5: The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal shall be payable when due upon presentation and surrender of the Bonds at the office of the Bond Registrar; provided, however, that if the Bonds are issued as a single manuscript bond, such principal shall be paid on such maturity date by check or draft mailed or delivered to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register (as defined in Section 6) at the close of business on the 15th day of the calendar month next preceding that maturity date. Interest on a Bond shall be paid on each Interest Payment Date by check or draft mailed or delivered to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register (as defined in Section 6) at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date.

Section 6: So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep at its office all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the Bond Register). Subject to the provisions of Section 5, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this ordinance. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the principal corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the principal corporate trust office of the Bond Registrar together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of Bonds exchanged or transferred, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the

exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under this ordinance, as the Bonds surrendered upon that exchange or transfer.

Section 7: The Bonds are hereby sold and award to the Director of Finance at a purchase price of par plus any accrued interest thereon as an investment for any funds of the City available for such investment as he may determine. The Mayor shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Director of Finance upon payment of the purchase price. The Mayor, the Director of Finance, the Clerk of Council and other City officials, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance.

Section 8: The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued, including the reimbursement of any moneys advanced previously for that purpose. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 9: The Bonds are special obligations of the City, and the debt charges on the Bonds are secured by a pledge of, and payable solely from: all money of the City that is not money raised by taxation, to the extent lawfully available for payment of debt charges on the Bonds, including, but not limited to the following: (a) grants from the United States of America and the State, (b) payments in lieu of taxes now or hereafter authorized by State statute; (c) fines and forfeitures that are deposited in the City's General Fund; (d) fees deposited in the City's General Fund from properly imposed licenses and permits; (e) investment earnings on the City's General Fund that are credited to the City's General Fund; (f) investment earnings of other funds of the City that are credited to the City's General Fund; (g) proceeds from the sale of assets that are deposited in the City's General Fund; (h) rental income that is deposited in the City's General Fund; (i) gifts and donations that are received and deposited in the City's General Fund; (j) charges for services and payments received in reimbursement for services that are deposited in the City's General Fund; and (k) any proceeds received by the City from the sale or lease of any portion of the Project (collectively, the Nontax Revenues). The City hereby covenants and agrees that it shall appropriate in its annual appropriation measure for each calendar year, and shall deposit in an appropriate fund of the City, Nontax Revenues in amounts sufficient to pay all debt charges on the Bonds when due in that calendar year. The City hereby covenants and agrees that so long as the Bonds are outstanding, it will appropriate and maintain sufficient Nontax Revenues each year to make each payment due under this Section and to pay debt charges on the Bonds when due; provided, however, the payments due hereunder and under the Bonds are payable solely from the Nontax Revenues, which Nontax Revenues are hereby selected by the City pursuant to Section 165.12 of the Ohio Revised Code as money that is not raised

by taxation. The Bonds do not and shall not represent or constitute a debt or pledge of the faith or credit or taxing power of the City, and the owners of the Bonds have no right to have taxes levied by the City for the payment of debt charges thereon. The Bonds shall contain a statement to that effect and to the effect that the debt charges on the Bonds are payable solely from the Nontax Revenues and are not secured by an obligation or pledge of any money raised by taxation. Nothing herein shall be construed as requiring the City to use or apply to the payment of debt charges on the Bonds any funds or revenues from any source other than Nontax Revenues. Nothing herein, however, shall be deemed to prohibit the City, of its own volition, from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions or obligations of this ordinance or of the Bonds.

Section 10: The City, by issuance of the Bonds, covenants and agrees with the owners of the Bonds that: (i) the City will, solely from the Nontax Revenues, pay or cause to be paid the debt charges on the Bonds on the dates, at the place and in the manner provided herein and in the Bonds; (ii) the City will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions to be performed on its part under this ordinance and the Bonds and under all proceedings of this Council pertaining thereto; (iii) each obligation of the City required to be undertaken pursuant to this ordinance and the Bonds is binding upon the City, and upon each officer or employee of the City as may from time to time have the authority under law to take any action on behalf of the City as may be necessary to perform all or any part of such obligation, as a duty of the City and of each of those officers and employees resulting from an office, trust or station within the meaning of Section 2731.01 of the Ohio Revised Code, providing for enforcement by writ of mandamus; and (iv) as provided in Section 165.031 of the Ohio Revised Code and to the extent required by law, all wages paid to laborers and mechanics employed by the City on the Project shall be paid at not less than the prevailing rates of wages for laborers and mechanics for each class of work called for by the Project, which wages shall be determined in accordance with the requirements of Chapter 4115 of the Ohio Revised Code, for determination of prevailing wage rates.

Section 11: This City Council hereby retains the firm of Squire, Sanders & Dempsey to furnish legal services in connection with the issuance of the Bonds and other matters related thereto. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county, municipality or other political subdivision, or of this City, or the execution of public trusts.

Section 12: The Clerk of Council is hereby authorized and directed to give notice to the Director of the Department of Development of the State of Ohio pursuant to Section 165.03(D) with respect to the Bonds, which notice shall be substantially in the form of such notice now on file with the Clerk.

Section 13: This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding special obligations of the City have been performed and have been met, or will at the time of delivery of the Bonds have been

performed and have been met, in regular and due form as required by law; that the Nontax Revenues of the City are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 14: This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 15: This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that the Bonds may be issued at the earliest possible time in order to meet its obligations in connection with the acquisition of the Project which is urgently required to improve and enhance the economic condition and welfare of the City and its residents; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

---

President of Council

Attest:

---

Clerk of Council

Approved:

---

Mayor