

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOTES OF THE CITY IN A MAXIMUM PRINCIPAL AMOUNT OF \$520,000, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF RETIRING NOTES ISSUED TO PAY COSTS OF VARIOUS CAPITAL IMPROVEMENTS; AND DECLARING AN EMERGENCY.

WHEREAS, on January 31, 2001, the City issued \$255,000 of notes in anticipation of the issuance of bonds to pay the costs of constructing and renovating municipal buildings and improving sites therefor (the “Municipal Building Project”), and has refunded those notes as follows:

<u>Issue Date</u>	<u>Amount</u>
July 26, 2001	\$200,000
July 25, 2002	100,000
July 24, 2003	108,000

which such notes are collectively referred to as the “Municipal Building Notes;” and

WHEREAS, on April 2, 2002, the City issued \$360,000 of notes in anticipation of the issuance of bonds to pay the costs of improving the municipal waterworks system by acquiring and installing computerized water meters together with all appurtenances and equipment related thereto (the “Water System Project”), and has refunded those notes as follows:

<u>Issue Date</u>	<u>Amount</u>
March 27, 2003	\$330,000
March 26, 2004	330,000

which such notes are collectively referred to as the “Water System Notes;” and

WHEREAS, on June 27, 2003, the City issued \$205,000 of notes in anticipation of the issuance of bonds (the “Motorized Equipment Notes”) to pay the costs of acquiring motorized equipment and appurtenances thereto; and

WHEREAS, on June 25, 2004, the City issued \$573,000 of notes in anticipation of the issuance of bonds to refund the outstanding portions of the Municipal Building Notes, the Water System Notes and the Motorized Equipment Notes, and has refunded those notes as follows:

<u>Issue Date</u>	<u>Amount</u>
June 23, 2005	\$478,000
June 22, 2006	403,000
June 22, 2007	298,000
June 20, 2008	222,000

which the last issue of those notes (the “Various Purpose Refunding Notes”) were sold as a consolidated note issue under Section 133.30(B), Ohio Revised Code, together with the Walker Road Refunding Notes (as defined below) and the Boat Launch Refunding Notes (as defined below) in the aggregate principal amount of \$722,000 (the “Series 2008 Various Purpose Notes”); and

WHEREAS, on October 18, 2007, the City issued \$120,000 of notes issued in anticipation of the issuance of bonds to pay costs of improving and repairing Walker Road (the “Walker Road Project”), and has refunded those notes as follows:

<u>Issue Date</u>	<u>Amount</u>
June 20, 2008	\$100,000

which the last issue of those notes (the “Walker Road Refunding Notes) was sold as a part of the Series 2008 Various Purpose Notes; and

WHEREAS, on December 20, 2007, the City issued \$500,000 of notes issued in anticipation of the issuance of bonds to pay costs of improving new parks with the construction of a boat launch (the “Boat Launch Project”), and has refunded those notes as follows:

<u>Issue Date</u>	<u>Amount</u>
June 20, 2008	\$400,000

which the last issue of those notes (the “Boat Launch Refunding Notes”) was sold as part of the Series 2008 Various Purpose Notes; and

WHEREAS, on October 21, 2008, the City issued \$150,000 of notes issued in anticipation of the issuance of bonds (the “Series 2008B Various Purpose Notes”) to pay costs of (1) improving new parks with the construction of a boat launch (the “2008 Boat Launch Project”) and (2) public improvements, including improving and renovating City buildings (the “2008 Municipal “Buildings Project”); and

WHEREAS, on June 18, 2009, the City issued \$901,000 of notes issued in anticipation of the issuance of bonds (the “Series 2009 Notes”) to pay costs of (1) retiring the City’s Series 2008 Various Purpose Notes, and the City’s Series 2008B Various Purpose Notes, and (2) paying the Financing Costs of the Outstanding Notes; and

WHEREAS, on June 18, 2010, the City issued \$714,000 of notes issued in anticipation of the issuance of bonds (the “Outstanding Notes”) to pay costs of (1) retiring the Series 2009 Notes, and (2) paying the Financing Costs of the Outstanding Notes; and

WHEREAS, the Outstanding Notes are maturing on June 18, 2011.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Sheffield Lake, State of Ohio that:

SECTION 1. Findings and Determinations. This Council finds and determines the following matters (capitalized terms not defined in the recitals are defined in Section 14):

- (a) This Council has previously authorized and issued the Outstanding Notes.
- (b) It is necessary for the City to issue the Bonds to pay the costs of the Projects. It is necessary to issue the Series 2011 Notes in anticipation of the Bonds for the purpose of (1) retiring the Outstanding Notes, together with other money of the City available for the purpose, and (2) paying the Financing Costs of the Series 2011 Notes.
- (c) The Director of Finance has certified to this Council the maximum maturity of the Bonds and notes issued in anticipation of the Bonds.
- (d) All acts and conditions necessary to be performed by the City or to have been met for the issuance of the Series 2011 Notes in order to make them legal, valid, and binding general obligations of the City, have been performed and met, or will have been performed and met, at the time of delivery of the Series 2011 Notes, as required by law.
- (e) No statutory or constitutional limitation of indebtedness or taxation will be exceeded by the issuance of the Series 2011 Notes.
- (f) All formal actions of this Council relating to the enactment of this ordinance were taken in an open meeting of this Council, and all deliberations of this Council and of any of its committees that resulted in those formal actions, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

SECTION 2. Bond Terms. The Bonds will have the following terms:

- (a) **Amount and Rate.** The Bonds will be issued in the maximum principal amount of \$520,000 and will bear interest at the estimated average annual interest rate of 6%.
- (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	\$17,333.33	16	\$17,333.33
2	17,333.33	17	17,333.33
3	17,333.33	18	17,333.33
4	17,333.33	19	17,333.33
5	17,333.33	20	17,333.33
6	17,333.33	21	17,333.33
7	17,333.33	22	17,333.33
8	17,333.33	23	17,333.33
9	17,333.33	24	17,333.33
10	17,333.33	25	17,333.33
11	17,333.33	26	17,333.33
12	17,333.33	27	17,333.33

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
13	17,333.33	28	17,333.33
14	17,333.33	29	17,333.33
15	17,333.33	30	17,333.33

- (c) **Debt Service.** The Bonds will be payable as to Debt Service from any money of the City 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 City, subject to the 10-mill limitation imposed by Section 5705.02, Ohio Revised Code.

SECTION 3. Note Terms. The Series 2011 Notes will have the following terms:

- (a) **Amount.** The Series 2011 Notes must be issued in the maximum principal amount of \$520,000 or any lesser principal amount as determined by the Director of Finance in the Certificate of Award.
- (b) **Date.** The Series 2011 Notes must be dated the Closing Date, or any other date, not more than 31 days before the Closing Date, as determined by the Director of Finance in the Certificate of Award.
- (c) **Maturity.** The Series 2011 Notes must mature one year from their date. The Director of Finance may, if she determines it to be in the best interests of the City, establish a different maturity date, less than one year from the Closing Date.
- (d) **Interest.** The Series 2011 Notes must 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 Series 2011 Notes must be determined by the Director of Finance in the Certificate of Award.
- (e) **Redemption before Stated Maturity.** The Series 2011 Notes will not be subject to redemption before maturity, unless otherwise determined by the Director of Finance in the Certificate of Award. The Director of Finance may determine, in the Certificate of Award, to provide that the Series 2011 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, which may be any percentage of the principal amount redeemed, not exceeding 110%.
- (f) **Form, Numbering and Denomination.** The Series 2011 Notes must be issued in fully registered form. They may be issued in Book-Entry Form if the Director of Finance determines in the Certificate of Award that it would be in the best interest of the City for the Series 2011 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 Director of Finance. They must be numbered as determined by the Director of Finance in a manner to distinguish each Note from any other 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 Series 2011 Notes will be designated “Various Purpose General Obligation Bond Anticipation Notes, Series 2011,” unless otherwise designated in the Certificate of Award.

SECTION 4. Payment. The Debt Service on the Series 2011 Notes must be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America as determined in the Certificate of Award, without deduction for the services of the City’s paying agent, at the main office of First Merit Bank, N.A., Elyria, Ohio, which is the paying agent determined hereby to be a bank or trust company at which such payment will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose. The Finance Director may select another Paying Agent as she deems appropriate. Payment of Debt Service on the Series 2011 Notes will be payable when due upon presentation and surrender of the Series 2011 Notes at the office of the Registrar.

SECTION 5. Signing and Authentication of the Series 2011 Notes.

- (a) **Signing.** The Series 2011 Notes must be signed by the Mayor and the Director of Finance, in the name of the City and in their official capacities. In the absence of the Mayor, the Series 2011 Notes must be signed by the President of Council, and in the absence of the Director of Finance, the Series 2011 Notes must be signed by any deputy Director of Finance. Either or both of those signatures may be a facsimile.
- (b) **Authentication.** No 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 Bond is signed by the Registrar as authenticating agent. Authentication by the Registrar will be conclusive evidence that the 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 Director of Finance on behalf of the City. The same person need not sign the certificate of authentication on all of the Series 2011 Notes.

SECTION 6. Registration; Transfer and Exchange; Book-Entry System.

- (a) **Registration.** So long as any of the Series 2011 Notes remain outstanding, the City must cause the Registrar to maintain the Register. The person in whose name a Series 2011 Note is registered on the Register will be regarded as the absolute owner of that Note for all purposes of the Note Proceedings. Payment of the Debt Service on any Note will be made only to or upon the order of that person.
- (b) **Transfer and Exchange.** Any Series 2011 Note may be transferred or exchanged for Series 2011 Notes of any Authorized Denomination upon presentation and surrender at the office of the Registrar, together with a request for exchange signed by the registered Holder or by a person legally empowered to do so in a

form satisfactory to the Registrar. A Series 2011 Note may be transferred only on the Register upon presentation and surrender of the Series 2011 Note at the office of the Registrar together with an assignment signed by the registered Holder or by a person legally empowered to do so in a form satisfactory to the Registrar. Upon exchange or transfer the Registrar will complete, authenticate, and deliver a new note certificate of any Authorized Denomination requested by the Holder equal to the unmatured principal amount of the Series 2011 Note surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Registrar will undertake the exchange or transfer of a Series 2011 Note only after the new Series 2011 Note is signed by the authorized officers of the City. In all cases of Series 2011 Notes exchanged or transferred, the City will sign and the Registrar will authenticate and deliver Series 2011 Notes in accordance with the provisions of the Note Proceedings. The exchange or transfer will be without charge to the Holder, except that the City 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 City or the Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Series 2011 Notes issued and authenticated upon any exchange or transfer will be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under the Note Proceedings as the Series 2011 Notes surrendered upon that exchange or transfer. Neither the City nor the Registrar will be required to make any exchange or transfer of any Series 2011 Note selected for redemption, in whole or in part.

- (c) **Book-Entry System.** In the event the City utilizes a Book-Entry System, the Series 2011 Notes must be originally issued in Book-Entry Form to a Depository, initially The Depository Trust Company, for use in a Book-Entry System.

If the City utilizes the Book-Entry Form, the City and the Registrar must recognize and treat the Depository as the Holder of the Series 2011 Notes for all purposes, including payment of Debt Service, redemption and other notices, and enforcement of remedies.

If any Depository determines not to continue to act as a Depository for the Series 2011 Notes for use in a Book-Entry System or if the City determines to discontinue the Book-Entry System, the Director of Finance may attempt to establish a securities depository relationship with another qualified Depository. If the Director of Finance does not or is unable to do so, the Director of Finance 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 Series 2011 Notes from the Book-Entry System.

SECTION 7. Sale of the Series 2011 Notes.

- (a) **Private Sale.** The Series 2011 Notes will be sold at private sale to the Original Purchaser, in accordance with this ordinance and any Purchase Agreement, at a purchase price to be determined by the Director of Finance in the Certificate of Award. That purchase price must not be less than 97% of the principal amount of the Series 2011 Notes, plus any accrued interest on the Series 2011 Notes from their date to the Closing Date. The Series 2011 Notes must be sold with and upon such other terms as are required or authorized by this ordinance to be specified in the Certificate of Award, in accordance with this ordinance and any Purchase Agreement.
- (b) **Consolidation.** The Director of Finance is authorized, if she determines it to be in the best interests of the City, to combine the issue of the Series 2011 Notes with one or more other note issues of the City into a consolidated note issue in accordance with Section 133.30(B), Ohio Revised Code.
- (c) **Certificate of Award.** The Director of Finance is hereby authorized and directed to sign and deliver the Certificate of Award. The Director of Finance must state in the Certificate of Award: the principal amount of the Series 2011 Notes; the interest rate on the Series 2011 Notes; the purchase price for the Series 2011 Notes; and any other terms required by this ordinance. The Director of Finance may state in the Certificate of Award any changes in the date, the maturity date, the redemption provisions, and the designation of the Series 2011 Notes; whether the Series 2011 Notes are to be consolidated with other note issues; whether the Series 2011 Notes are to be issued in Book-Entry Form; and any other terms authorized by this ordinance, subject to the limitations stated in this ordinance.
- (d) **Delivery.** The Director of Finance must sign and deliver the Certificate of Award and must cause the Series 2011 Notes to be prepared, signed, and delivered, together with a true transcript of proceedings of the issuance of the Series 2011 Notes, to the Original Purchaser upon payment of the purchase price.

SECTION 8. Financing Costs. The City retains the professional services and authorizes the payment of the Financing Costs for the Series 2011 Notes, as provided in this Section 8.

- (a) **Bond Counsel.** The Director of Finance shall select a firm to act as bond counsel for the Series 2011 Notes. The legal services will be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Series 2011 Notes and rendering legal opinions upon the delivery of the Series 2011 Notes. Bond counsel must render those services to the City in an attorney-client relationship.
- (b) **Ratings and Insurance.** If, in the judgment of the Director of Finance, the filing of an application for (1) a rating on the Series 2011 Notes by one or more nationally recognized statistical rating organizations, or (2) a policy of insurance to better assure the payment of principal of and interest on the Series 2011 Notes, is in the best interest of and financially advantageous to the City, the Director of Finance must prepare and submit those applications and provide to each of those

agencies or companies the information required for the purpose. This Council further authorizes the fees for those ratings and the premiums for the insurance to be included in Financing Costs authorized under Section 8(d) below.

- (c) **Limits on Authority of Service Providers.** In rendering the services described above, as independent contractors, those service providers must not exercise any administrative discretion on behalf of the City in the formulation of public policy; expenditure of public funds; enforcement of laws, rules, and regulations of the State of Ohio, the City, or any other political subdivision; or the execution of public trusts.
- (d) **Payment of Financing Costs.** This Council authorizes and approves the expenditure of the amounts necessary to pay those Financing Costs specifically authorized above and all other necessary Financing Costs in connection with the issuance and sale of the Series 2011 Notes. This Council authorizes and directs the Director of Finance to provide for the payment of those Financing Costs from the proceeds of the Series 2011 Notes to the extent available and, otherwise, from any other funds lawfully available and appropriated for the purpose.

SECTION 9. Use of Note Proceeds. The proceeds from the sale of the Series 2011 Notes must be deposited and used as provided in this Section 9.

- (a) Any accrued interest or premium received on the sale of the Series 2011 Notes must be deposited in the Bond Retirement Fund of the City and be used for the payment of interest on the Series 2011 Notes at their maturity.
- (b) The remainder of the proceeds must be paid into the proper fund or funds and used, together with other money available for the purpose, for the payment of Debt Service on the Outstanding Notes and any Financing Costs of the Series 2011 Notes and to the extent that the Director of Finance determines to pay those Financing Costs from the proceeds of the Series 2011 Notes.

SECTION 10. Security and Sources of Payment. The Series 2011 Notes will be general obligations of the City.

- (a) This Council pledges to the payment of Debt Service on the Series 2011 Notes the full faith and credit of the City including, without limitation:
 - (1) The general taxing power of the City, including the power to levy taxes within the ten-mill limitation, as defined in Section 5705.02, Ohio Revised Code.
 - (2) The proceeds to be received from the sale of the Bonds and of any notes issued to retire the Series 2011 Notes.
 - (3) Any money remaining from the sale of the Series 2011 Notes and not required for the payment of Debt Service on the Outstanding Notes.

- (b) The Debt Service on the Series 2011 Notes must be paid at their maturity from any of the amounts set forth above pledged to their payment, or any funds of the City otherwise available for their payment.
- (c) During the years while the Series 2011 Notes are outstanding, there will be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually, subject to tax limitations, not less than the tax that would have been levied had the Bonds been issued without the prior issue of the Series 2011 Notes. 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 City and is irrevocably pledged for the payment of the Debt Service on the Series 2011 Notes, when and as that Debt Service falls due. If any of the following amounts are available for the payment of the Series 2011 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 the Bonds or any notes issued to refund or renew the Series 2011 Notes.
 - (3) Any other money lawfully available to the City.

SECTION 11. Federal Tax Matters. The City covenants that it will take those actions required to maintain the Federal Tax Status of the Series 2011 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 City specifically covenants as follows:

- (a) **Private Activity Bonds.** The City will apply the proceeds received from the sale of the Series 2011 Notes to pay costs of retiring the Outstanding Notes which were issued to pay the costs of the Projects and to pay the Financing Costs in connection with the Series 2011 Notes. The City will not permit the use of the Projects by any person, will not secure or derive the money for payment of Debt Service on the Series 2011 Notes by any property or payments, and will not loan the proceeds of the Series 2011 Notes to any person, all in a manner as to cause the Series 2011 Notes to be “private activity bonds” within the meaning of Code Section 141(a).
- (b) **Arbitrage.** The City will restrict the use of proceeds of the Series 2011 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 Series 2011 Notes, so that the Series 2011 Notes will not constitute “arbitrage bonds” within the meaning of Code Section 148. The Director of Finance or any other

official having responsibility for issuing the Series 2011 Notes, is authorized and directed, alone or in conjunction with any other officer, employee, or consultant of the City, to sign and deliver a certificate of the City, for inclusion in the transcript of proceedings for the Series 2011 Notes, setting forth the reasonable expectations of the City on the Closing Date, regarding the amount and use of the proceeds of the Series 2011 Notes in accordance with Code Section 148. If required, the City will limit the yield on any “investment property” (as defined in Code Section 148(b)(2)) acquired with the proceeds of the Series 2011 Notes.

- (c) **Arbitrage Rebate.** Unless the gross proceeds of the Series 2011 Notes are expended in accordance with one of the spending period exceptions set forth in Treas. Reg. §1.148-7, the City 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 City 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 City will not permit the use of the Projects, or make loans of the proceeds of the Series 2011 Notes, or invest the proceeds of the Series 2011 Notes in a manner as to cause the Series 2011 Notes to be “federally guaranteed” within the meaning of Code Section 149(b).
- (e) **Information Reporting.** This Council authorizes and directs the Director of Finance or any other official of the City having responsibility for issuing the Series 2011 Notes to sign and file a Form 8038-G for the Series 2011 Notes with the Internal Revenue Service.
- (f) **Bank-Qualified Obligations.** This Council designates the Series 2011 Notes as “qualified tax-exempt obligations” for the purpose of Code Section 265(b)(3).

SECTION 12. Signing and Delivery of Series 2011 Notes and Documents. This Council authorizes and directs the Mayor and the Director of Finance to sign and deliver the Series 2011 Notes in accordance with Section 5 of this ordinance.

- (a) This Council authorizes and directs the Director of Finance to sign and deliver, on behalf of the City:
 - (1) The Certificate of Award.
 - (2) Any Purchase Agreement.
 - (3) Any agreements or letters of representation in connection with a Book-Entry System for the Series 2011 Notes.
 - (4) Applications for and agreements in connection with obtaining a policy of municipal bond insurance for the Series 2011 Notes.
 - (5) Applications for and agreements in connection with obtaining one or more ratings for the Series 2011 Notes.

In the absence of the Director of Finance, this Council authorizes and directs the Mayor to sign and deliver any of those documents and certificates.

- (b) This Council authorizes and directs the Director of Finance to sign and deliver, on behalf of the City, in her capacity as fiscal officer of the City:
 - (1) Any certificates required under Section 5705.41, Ohio Revised Code, for any of the agreements in connection with the Series 2011 Notes.
 - (2) The statements of indebtedness provided for in Section 133.33(B), Ohio Revised Code.

In the absence of the Director of Finance, this Council authorizes and directs any deputy Director of Finance to sign and deliver any of those documents and certificates.

- (c) This Council authorizes and directs the Mayor, the Law Director, the Director of Finance, the President of Council, the Council Clerk, and any other City officials:
 - (1) to sign and deliver any certificates, instruments, agreements and other documents that the official considers necessary or appropriate in connection with the issuance and sale of the Series 2011 Notes, and that are not inconsistent with this ordinance; and
 - (2) to take such actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance.

SECTION 13. Certification to County Auditor. This Council directs the Director of Finance or the Clerk of this Council to forward a certified copy of this ordinance and a copy of the Certificate of Award to the County Auditor.

SECTION 14. Definitions. Words and terms are used in this ordinance with the following meanings:

“Authorized Denominations” means the denomination of \$1,000 or any integral multiple of \$1,000.

“Bonds” means the bonds anticipated by the Series 2011 Notes.

“Book-Entry Form” or “Book-Entry System” means a form or system under which (a) the ownership of book-entry interests in Series 2011 Notes and the Debt Service on the Series 2011 Notes may be transferred only through a book entry, and (b) physical note certificates in fully registered form are issued by the City only to a Depository or its nominee as registered owner, with the Series 2011 Notes deposited and retained in the custody of the Depository or its agent.

“Certificate of Award” means the certificate authorized by Section 7 of this ordinance, setting forth the terms and other provisions of the Series 2011 Notes required or authorized by this ordinance.

“Closing Date” means the date of delivery of and payment for the Series 2011 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.

“Debt Service” 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.

“Federal Tax Status” means the status of the interest on the Series 2011 Notes 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 Series 2011 Note, the person in whose name the Series 2011 Note is registered on the Register.

“Note Proceedings” means, collectively, this ordinance, the Certificate of Award, any Purchase Agreement, and the other proceedings of the City, including the Series 2011 Notes, that provide collectively for, among other things, the rights of Holders and beneficial owners of the Series 2011 Notes.

“Original Purchaser” means the purchaser of the Series 2011 Notes from the Issuer.

“Outstanding Notes” means the City’s Series 2010 Various Purpose General Obligation Bond Anticipation Notes.

“Participant” means any participant contracting with a Depository under a Book-Entry System and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Paying Agent” means First Merit Bank, N.A., Elyria, Ohio, or another paying agent designated in the Certificate of Award.

“Projects” means, collectively, the Municipal Building Project, the Water System Project, the Walker Road Project, the Boat Launch Project, the 2008 Boat Launch Project and the 2008 Municipal Buildings Project and all related projects.

“Purchase Agreement” means any Note Purchase Agreement between the City and the Original Purchaser, entered into in accordance with Section 7 of this ordinance.

“Register” means all books and records necessary for the registration, exchange, and transfer of the Series 2011 Notes.

“Registrar” means the Director of Finance, or any bank or trust company as designated by the Director of Finance in the Certificate of Award, or any successor to the Registrar.

“Series 2011 Notes” means the Various Purpose General Obligation Bond Anticipation Notes, Series 2011, authorized by this ordinance.

Section 15. Effective Date. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety in the City, and for the further reason that the Series 2011 Notes must be sold promptly in order to retire the maturing Outstanding Notes, and thereby protect the credit of the City; and provided it receives the affirmative vote of at least two-thirds of its members elected to Council, this ordinance shall take effect and be in force immediately upon its passage by the Council and approval by the Mayor; otherwise it shall take effect and be in force after the earliest period allowed by law.

PASSED THIS ____ day of _____, 2011

	Yea	Nay	NV
Dennis Bring	_____	_____	_____
Leanna Stark	_____	_____	_____
Diane Huska	_____	_____	_____
Steve Kovach	_____	_____	_____
Richard Rosso	_____	_____	_____
Alan Smith	_____	_____	_____
Eric Elliot	_____	_____	_____

PRESIDENT OF COUNCIL
Edward R. Podmanik

and/or

COUNCIL PRO TEM
Richard Rosso

MAYOR
John J. Piskura

CLERK OF COUNCIL
Kay Fantauzzi

I, Kay Fantauzzi, duly appointed Clerk of Council of Sheffield Lake DO HEREBY CERTIFY that this is a true and exact copy of Ordinance # ____-

_____.
PASSED _____, 2011.

