

**DOCKET
OF A MEETING OF
THE LAKEWOOD CITY COUNCIL
TO BE HELD IN THE COUNCIL CHAMBERS
LAKEWOOD CITY HALL - 12650 DETROIT AVENUE
FEBRUARY 17, 2015
7:30 P.M.**

The Regular Meetings of Lakewood City Council shall be held on the first and third Mondays of each month at 7:30 P.M., except that when such meeting date falls on a holiday such meeting shall instead be held on the following day. A Docket and Agenda of the business proposed to be transacted by Council will be available in the Clerk's Office and on the City's website www.onelakewood.com after 4 PM on the Friday before a Council meeting.

Section 121.08 of the Codified Ordinances of the City of Lakewood establishes rules for the public to follow when speaking before Council:

ADDRESSING COUNCIL – The President may recognize any non-member for addressing Council on any question then pending. In such cases, the person recognized shall address the chair, state his or her name and address and the subject matter he or she desires to discuss. Speakers must be courteous in their language and avoid personalities. When addressed by the Chair, the speaker must yield the floor and comply with all rulings of the chair, said rulings not being open to debate. Except with permission of Council specifically given, speakers shall be limited to five minutes. No person who has had the floor shall again be recognized until all others desiring an opportunity to speak have been given an opportunity to do so.

AGENDA ITEMS PROTOCOL:

The Clerk at the beginning of the meeting will present the AGENDA ITEMS sign-in sheet to the President of Council. Speakers will be called to address Council by the Chair. A citizen must first write his or her name, address and agenda item number on the designated sign-in sheet in order to be recognized.

PUBLIC COMMENT PROTOCOL:

The clerk at the end of the meeting will present the PUBLIC COMMENT sign-in sheet to the President of Council. Public Comment will be welcomed at the end of a Council Meeting on miscellaneous issues or issues other than agenda items. A citizen must first write his or her name, address and topic on the designated sign-in sheet in order to be recognized. The forum is not designed to be a question and answer session.

- I. Pledge of Allegiance
 - II. Moment of Silence
 - III. Roll Call
- Reading & disposal of the minutes of the Regular Meeting of Council held January 5, 2015.
Reading & disposal of the minutes of the Regular Meeting of Council held January 20, 2015.

Reports, legislation and communications from Members of Council, the Mayor and other City Officials.

****OLD BUSINESS****

1. Committee of the Whole Reports regarding February 9, 11, 17 (2015) Committees addressing Letter of Intent. Committee of the Whole Report of February 17, 2015 regarding Resolution 8771-14 & Ordinance 2-15. Chair; Madigan (To be provided)
2. **RESOLUTION NO. 8771-14** A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, appointing _____ to the Planning Commission for the six-year term beginning January 1, 2015 and ending December 31, 2020. (Referred to the Committee of the Whole 11/3/14, Deferred 1/20/15) (Pg. 6)
3. **ORDINANCE NO. 2-15** – AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, authorizing and directing the Director of Planning and Development to enter into a purchase agreement with Liberty Development Company the TO SELL THE REAL PROPERTY LOCATED AT 1351 West Clifton Blvd. pursuant to Section 155.07 of the Codified Ordinances. (PLACED ON 1ST READING & REFERRED TO THE COMMITTEE OF THE WHOLE 1/20/15, 2ND READING 2/2/15) (Pg. 7)
4. Planning Commission Report regarding Recommendation McKinley School Site Rezoning Ordinance 3-15. (Pg. 29)
5. **ORDINANCE NO. 3-15** – AN ORDINANCE to amend Section 1105.02 of the zoning Code of the Codified Ordinances of the City of Lakewood by changing and revising the zoning Map of the City with respect to certain property as set forth and described as 1351 West Clifton Blvd. (PPN 311-22-028) from C4 (commercial, Public School) to PD (Planned Development) (PLACED ON 1ST READING & REFERRED TO THE PLANNING COMMISSION 1/20/15, 2ND READING 2/2/15) (Pg. 30)
6. **ORDINANCE NO. 4-15** – AN ORDINANCE to amend Section 903.10, Duty to Repair and Maintain Sidewalks, of the Codified Ordinances of the City of Lakewood to remove the requirement that a sidewalk survey be included with the notice to repair. (PLACED ON 1ST READING AND REFERRED TO THE PUBLIC WORKS COMMITTEE 2/2/15) (Pg. 33)

****NEW BUSINESS****

7. Communication from Councilmember O'Leary regarding Request for Economic Impact Study of Lakewood Hospital Closure and Proposal set forth in Letter of Intent between Cleveland Clinic, Lakewood Hospital Association and Lakewood Hospital Foundation. (Pg. 36)
8. Communication from Councilmember Anderson regarding discussion to identify entity to serve Council and residents regarding the future of Lakewood Hospital and health care delivery in Lakewood. (Pg. 37)
9. Communication from Finance Director Pae regarding 2015 1st Quarter Transfers and Advances. (Pg. 38)

10. **ORDINANCE NO. 5-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, law authorizing the transfer and advance of certain funds. (Pg. 39)
11. Communication from Finance Director Pae regarding \$12,027,000 Renewal of 2011, 2012, 2013, 2014 Various Purpose General Obligation Bond Anticipation Notes (GO BANS) \$5,350,000 in 2015 GO BANS for new capital projects. (Pg. 41)
12. **ORDINANCE NO. 6-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$12,027,000 in anticipation of the issuance of bonds to pay costs of (i) improving Madison Avenue by providing new traffic signalization; (ii) improving and renovating the refuse facility; (iii) replacing the roof on city hall; (iv) resurfacing Atkins Avenue, Arlington Road, Arthur Avenue, Blossom Park Avenue, Brockley Avenue, Clifton Boulevard, Cranford Street, Cove Avenue, Donald Street, Hird Avenue, Lakeland Road, Lakeland Avenue, Larchmont Avenue, Lauderdale Avenue, Lewis Drive, Madison Avenue, McKinley Avenue, Marlowe Avenue, Morrison Avenue, Nicholson Street, North Marginal Street, Northland Avenue, Olive Avenue, Overlook Road, South Marginal Street, St. Charles Avenue, Summit Avenue, Wascana Avenue, Waterbury Road, Woodward Avenue, Woodward Street, Wyandotte Avenue, and other streets located within the city; (v) improving Detroit Avenue, Franklin Street, Hilliard Street and Madison Avenue by providing new and upgraded traffic signalization and pedestrian signals; (vi) improving the municipal garage ventilation system; (vii) improving parks within the city, including Lakewood Park, Wagar Park and the Lakewood Park skate house, together with all necessary appurtenances thereto; (viii) reconstructing Madison Avenue; (ix) constructing a sheet pile bulkhead, docks and a parking area, together with all necessary appurtenances thereto; (x) improving sidewalks within the city, (xi) replacing a salt storage facility and (xii) improving the sewer system in the city by constructing the West End sewer separation project and a new sanitary sewer and improvements and renovations to the existing sanitary sewers and storm water sewers along Edgewater Drive, together with all necessary appurtenances thereto, and retiring notes previously issued for such purpose; and approving related matters. (Pg. 42)
13. Certificate of Estimated Life and Maximum Maturity. (Pg. 49)
14. **ORDINANCE NO. 7-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$2,000,000 in anticipation of the issuance of bonds; to pay costs of West End sewer separation project, together with all necessary appurtenances thereto. (Pg.51)
15. Certificate of Estimated Life and Maximum Maturity. (Pg. 58)
16. **ORDINANCE NO. 8-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$1,500,000 in anticipation of the issuance of bonds; to pay the costs of resurfacing Arthur Avenue, Carabel Avenue, Cliffdale Avenue, Cook Avenue, Cranford

Avenue, Edgewater Drive, Edwards Avenue, Garfield Avenue, Kenneth Avenue, Lake Point Drive, Maile Avenue, Nicolson Avenue, Ogontz Avenue, Owego Avenue, Rockway Avenue, Sloane Subway, South Marginal Drive, St. Charles Avenue, and other streets located within the city. (Pg. 59)

17. Certificate of Estimated Life and Maximum Maturity. (Pg. 66)
18. **ORDINANCE NO. 9-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$950,000 in anticipation of the issuance of bonds; to pay the costs of improving parks within the city, including Lakewood Park, together with all necessary appurtenances thereto. (Pg. 67)
19. Certificate of Estimated Life and Maximum Maturity. (Pg. 74)
20. **ORDINANCE NO. 10-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$650,000 in anticipation of the issuance of bonds; to pay costs of improving sidewalks within the city. (Pg. 75)
21. Certificate of Estimated Life and Maximum Maturity. (Pg. 82)
22. **ORDINANCE NO. 11-15** - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$250,000 in anticipation of the issuance of bonds; and to pay the costs of replacing or improving the roofs of city hall, city hall annex, Winterhurst ice rink and the city's service garage.(Pg. 83)
23. Certificate of Estimated Life and Maximum Maturity. (Pg. 90)
24. Communication from Law Director Butler regarding Updates to Chapter 145 Keep Lakewood Beautiful Board. (Pg. 91)
25. **ORDINANCE NO. 12-15** - AN ORDINANCE amending Chapter 145, Keep Lakewood Beautiful Board, of the Codified Ordinances of the City of Lakewood, in order to update the code regulating the composition and duties of this board. (Pg. 92)
26. Communication from Law Director Butler regarding Formalization of western Lakewood clean water pilot program. (Pg. 97)
27. **RESOLUTION NO. 8794-15** - A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, establishing a pilot

program in western Lakewood to remove clean water sources from the City's sanitary sewer system in the furtherance of the City's permitting under the Ohio Environmental Protection Agency; authorizing the Mayor (Director of Public Safety), the Director of Public Works, the Director of Law, the Director of Finance and/or the Purchasing Manager to enter into contracts for professional services for the pilot program, and to advertise for bids and enter into contracts for the purchase of repair, maintenance and operating supplies, services and equipment for the pilot program as authorized by the Administrative Code of the City of Lakewood with the lowest and best bidder or bidders or as otherwise provided by law in an amount not to exceed \$900,000.00; declaring a nuisance; and identifying resident payment options under the pilot program. (Pg. 98)

REFERRED TO Committee of the Whole 11/3/14.
DEFERRED 1/20/15. DEFERRED 2/2/15.

RESOLUTION NO. 8771-14

BY:

A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, appointing _____ to the Planning Commission for the six-year term beginning January 1, 2015 and ending December 31, 2020.

WHEREAS, the end of a term has caused a vacancy on the Planning Commission beginning January 1, 2015, in a seat occupied by a Council appointee, thus requiring an appointment to the commission; and

WHEREAS, this Council by a vote of at least five of its members determines that this resolution is an emergency measure and that it shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood, and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operation of municipal departments in that the position to be occupied by this appointee is currently vacant; now, therefore

BE IT RESOLVED BY THE CITY OF LAKEWOOD:

Section 1. Council appoints _____ to the Planning Commission for the six-year term beginning January 1, 2015 and ending December 31, 2020.

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the passage of this resolution were passed in open meetings of this Council and that all deliberations of this Council and any of its committees that resulted in such actions were in meetings open to the public and in compliance with legal requirements.

Section 3. This resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare in the City and for the usual daily operation of the City for the reasons set forth and defined in the preamble to this ordinance, and provided it receives the affirmative vote of at least five of members of Council, this resolution shall take effect and be in force immediately upon its adoption by the Council and approval by the Mayor, or otherwise it shall take effect and be in force after the earliest period allowed by law.

Adopted: _____

PRESIDENT

CLERK

Approved: _____

MAYOR

PLACED ON 1ST READING & REFERRED TO THE
COMMITTEE OF THE WHOLE 1/20/15.
PLACED ON 2ND READING 2/2/15.

ORDINANCE NO. 2-15

BY:

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, authorizing and directing the Director of Planning and Development to enter into a purchase agreement with Liberty Development Company the sell the real property located at 1351 West Clifton Blvd. pursuant to Section 155.07 of the Codified Ordinances.

WHEREAS, the City is the owner of real property located at 1351 West Clifton Blvd.;
and

WHEREAS, this Council has determined it is in the best interest of the City and will fulfill the City's obligations to the Lakewood City School District, the prior owner, to sell said real property and that such sale shall further the interest of the City and its residents; and

WHEREAS, this Council by a vote of at least five of its members determines that this ordinance is an emergency measure, and that this ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood, and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operation of municipal department in that redevelopment plans for this property are underway and further steps toward construction cannot commence until this agreement is finalized; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. The Director of Planning and Development and Mayor are hereby authorized and directed, on behalf of the City, to enter into a purchase agreement, in substantially the same form as the document attached as "Exhibit A," with Liberty Development Company or its nominee, as well as all related documents and instruments of conveyance, for the sale of real property located at 1351 West Clifton Blvd., the former site of McKinley School, pursuant to Section 155.07 of the Codified Ordinances.

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 3. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare in the City and for the usual daily operation of the City for the reasons set forth and defined in the preamble to this ordinance, and provided it receives the affirmative vote of at least five members of

Council, this ordinance shall take effect and be in force immediately upon its adoption by the Council and approval by the Mayor, or otherwise it shall take effect and be in force after the earliest period allowed by law.

Adopted: _____

President

Clerk

Approved _____

Mayor

EXHIBIT A

LAKWOOD 1/13/15

REAL PROPERTY PURCHASE AGREEMENT

THIS REAL PROPERTY PURCHASE AGREEMENT ("Agreement"), is made and entered into by and between THE CITY OF LAKEWOOD, a municipal corporation and political subdivision duly organized and validly existing under the Constitution and laws of the state of Ohio, and acting by authority of Resolution No. _____ (the "Resolution"), the seller ("Seller"); and LIBERTY DEVELOPMENT COMPANY, a corporation duly organized and validly existing under the laws of the state of Ohio, or its nominee(s), the buyer ("Buyer" in any event).

RECITALS:

1. Seller owns the real property situated between and bounded at times by West Clifton Boulevard, Northwood Avenue and Detroit Avenue, Lakewood, Cuyahoga County, Ohio, previously known as the McKinley School site, consisting of approximately 2.88 acres more or less and described or depicted within Exhibit "A," which is attached hereto and is made part hereof ("Land").

2. Seller desires to convey and transfer to Buyer the Land and any and all fixtures located at and upon the Land together with any and all appurtenances, easements, rights-of-way and interests thereto (the "Appurtenances" and together with the Land the "Property").

3. Buyer desires to purchase the Property from Seller and has agreed to construct certain buildings, structures and improvements on the Property including, without limitation, approximately 34 to 40 townhomes with drives, garages, common features and areas (collectively, the "Buyer Improvements"), which Buyer Improvements and the materials to be used therefor are more particularly described on the site plan ("Site Plan") shown in Exhibit "B" attached hereto. The Buyer Improvements and all related demolition, construction and completion work, as necessary, is hereinafter collectively referred to as the "Project."

4. The Board of Education of the Lakewood City School District (the "District") has been notified of the Seller's intent to enter into this Agreement and the District, by resolution adopted by a majority of the Board of Education of the District and certified to Council on _____, has reviewed and approved of the Project, including but not limited to the Project's "Improvements" and "Permitted Use" as those terms are defined in that certain limited warranty deed conveying from the District to the Seller recorded on October 31, 2013, as instrument number 201310311209 ("Prior Deed").

NOW, THEREFORE, in consideration of the terms and conditions contained in this Agreement ("Terms"), Seller and Buyer agree as follows:

1. Purchase Price and Payment: Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller for a purchase price equal to \$500,000.00 ("Purchase Price"). Buyer shall pay the Purchase Price to Seller, subject to any and all adjustments thereto as specified herein, as follows:

(a) Buyer will deposit earnest money in the amount of \$25,000.00 with North Star Title Agency ("Title Company" or "Escrow Agent"), upon the mutual execution and delivery of this Agreement by Seller and Buyer ("Deposit"). The Deposit and any Additional Deposit as defined herein shall be: (i) applied to the Purchase Price at closing ("Closing"); and (ii) refundable to Buyer upon any termination of this Agreement in strict accordance with the conditions set forth herein, unless such termination results from Buyer's default or breach hereunder (whereupon Seller shall receive the Deposit and any Additional Deposit as and for Seller's remedy as liquidated damages, in addition to any other remedies provided for herein).

(b) Buyer will deliver a promissory note to Seller in the principal amount of \$250,000, in the form attached

hereto as Exhibit "C" (the "Note"), payable in the principal amount of \$12,500 per unit as certificates of occupancy are issued for each unit after the first 15 units have been sold but in any event within 36 months after Closing, otherwise payable according to its terms, and secured by a mortgage given by Buyer to Seller on the Property ("Seller Mortgage"). The Seller understands that the Seller Mortgage will be in a shared first position with the construction lender for the Project's mortgage ("Construction Mortgage"). The principal shall bear interest at a rate of three and one-half percent (3.5%) per annum, except that interest may be deferred and/or waived according to the terms of the Note. There shall be no prepayment penalty under the Note.

(c) The balance of the Purchase Price shall be paid to Seller in immediately available U.S. funds upon Closing.

2. Inclusions: Included in this Agreement for any and all purposes as part of the "Property" are any and all: (a) rights, easements, licenses and rights-of-way benefiting and appurtenant to the Property; (b) improvements, structures and fixtures located upon or at the Property; and (c) oil, gas and mineral interests, rights and entitlements relating to the Property.

3. Title Evidence: Buyer will obtain an Owner's Title Insurance Commitment (the "Commitment") within 30 days after the Effective Date, after Closing, obtain an Owner's Title Insurance Policy providing for owner's title insurance coverage in the amount of the Purchase Price ("Title Insurance"). Buyer will pay the premium, title examination and commitment costs of and for the Title Insurance. The Commitment will include legible copies of any and all title encumbrances referenced within Schedule B thereof.

Buyer shall obtain the Title Insurance from the Title Company. Buyer shall obtain and pay for any survey which Buyer may want or require ("Survey") within 30 days after the Effective Date. Seller and Buyer shall at Closing execute any ordinary and customary affidavits, agreements, general instructions and forms which the Title Company may reasonably require as a condition to the issuance of the Title Insurance.

The Commitment shall show in Seller a good and marketable title to the Property ("Title"), in fee simple, free and clear of all liens and encumbrances except: (a) those which Buyer creates or expressly assumes; (b) zoning ordinances and building regulations; (c) real estate taxes and assessments, whether general or special, not then due and payable; (d) legal highways; (e) conditions, restrictions, easements, rights of way and all other matters of record to which Buyer shall not pursuant to written notice(s) to Seller make any written objection(s) within 10 calendar days after Buyer receives the Commitment and the Survey ("Notice"); (f) any matters that would be disclosed by an accurate survey of the Property to which Buyer has not pursuant to written notice to Seller made any written objections within 10 days after receipt of both the Commitment and the Survey; and (g) the restrictions on the use of the Property found in the Prior Deed (collectively being the "Permitted Encumbrances").

Within the 10-day period following Buyer's receipt of the Title Commitment and Survey, Buyer shall have the right to object to any matters set forth in the Commitment, other than those matters set forth in (a), (b), (c), (d) and (g) in the paragraph above (the "Unacceptable Title Matter(s)"), by providing written Notice(s) to Seller. Thereafter Seller shall have a reasonable time not to exceed 10 days after Buyer's timely Notice(s) to Seller thereof within which to notify Buyer which Unacceptable Title Matters Seller intends to and shall remedy or remove ("Cure"), prior to or at Closing by giving written notice to Buyer. Seller shall in any event have the unconditional obligation to Cure any and all monetary liens or mortgages of any lenders, governmental bodies, creditor(s) and any other persons or entities, all of which Seller shall satisfy in full prior to or at Closing or for which Seller shall obtain recordable releases or satisfactions such that the same shall not encumber title to the Property as owned by Buyer (or Buyer's nominee(s)). Within 10 days after receipt of such written notice from Seller, Buyer, as Buyer's sole and exclusive remedy, shall elect in writing either to: (i) accept Title to the Property subject to the Unacceptable Title Matters Seller has not otherwise elected to Cure, without an abatement or reduction of the Purchase Price and complete the transaction contemplated hereby ("Transaction"); or (ii) terminate this Agreement. If Buyer elects to terminate this Agreement within 10 days of Seller's written notice, all funds and documents shall be returned to the party who delivered or deposited the same, including the Deposit (and any Additional Deposit) which shall be returned to Buyer, and

thereupon the parties shall be released from any further obligations hereunder each to the other, except that Buyer and Seller shall each pay one-half (1/2) all the expenses of the Title Company, if any and the Escrow Agent shall promptly disburse the Deposit (and any Additional Deposit) to Buyer. If Buyer fails to make a written election within the aforesaid 10-day period, Buyer shall be deemed to have elected to accept title to the Property subject to all Unacceptable Title Matters Seller has not otherwise elected to Cure and to complete the Transaction.

Marketability shall be determined under the Standards of Title Examination adopted by the Ohio State Bar Association.

4. Closing and Possession: Closing shall occur on or before thirtieth (30th) day after expiration of the Inspection Period (defined below) ("Closing Date"), subject to Buyer's right to extend the same for one additional 30-day period upon written notice to Seller; provided, however, that Buyer shall together with any such notice pay into escrow with the Title Company an additional deposit amount of \$25,000.00 (the "Additional Deposit"), which Additional Deposit will be: (a) applied to the Purchase Price at Closing; (b) refundable to Buyer upon any termination of this Agreement in strict accordance with the conditions set forth in this Agreement, unless such termination results from Buyer's breach or default hereunder (whereupon Seller shall receive the Deposit and Additional Deposit as and for Seller's remedy as liquidated damages, in addition to any other remedies provided for herein). The Title Company shall serve as escrow agent and effectuate the Closing of the Transaction. Seller shall deliver full possession of the Property to Buyer at Closing in the present condition thereof subject solely to ordinary wear and tear.

5. Deed: At Closing, Seller shall make, execute and deliver to Buyer or to Buyer's nominee(s) (as applicable) a recordable Limited Warranty Deed ("Deed"), conveying the Property to Buyer or such nominee(s) free and clear of all liens and encumbrances except the Permitted Encumbrances, those matters expressly excepted hereinabove, real estate taxes and assessments which shall be paid and/or prorated as provided hereinbelow, and the restrictions set forth on attached Exhibit "D." A form of the Deed is attached hereto as Exhibit "E."

6. Taxes, Assessments and Other Charges: Prior to or at Closing, Seller shall pay any and all real estate taxes and assessment installments then due and payable and any and all delinquent real estate taxes or assessments, together with any applicable penalties and interest for any prior tax periods. At Closing, Seller shall pay or credit to Buyer all real estate taxes or assessments due or to become due in or for the period prior to Closing pro-rated to the Closing Date utilizing the figures shown on the last available tax duplicate. In any event, Seller shall be wholly obligated to pay and be liable for any and all real estate taxes or assessments (and any applicable penalties or interest) attributable to or assessed against the Property for the period prior to the Closing Date (with this covenant to expressly survive Closing). Seller represents to Buyer that Seller may be exempt or may apply for an exemption from the real estate taxes (the "Tax Exemption"), for the time period from 2013 to the Closing Date. In the event any Tax Exemption is granted or any adjustments are made to the real estate taxes attributable to periods prior to the Closing Date, the parties shall re-prorate the real estate taxes within 10 days of receipt of actual or corrected tax bills. In the event Buyer receives a refund for any adjustments made to real estate taxes, Buyer shall immediately deliver and pay over said refund to Seller. Such covenant to re-prorate taxes and assessments and deliver any refund to Seller shall survive the Closing. Seller will pay any conveyance fee or transfer tax which the Cuyahoga County Fiscal Officer assesses to Seller upon Seller's conveyance of the Property to Buyer. Buyer shall pay the recording fee for the Deed and the Title Company charges to close the Transaction and issue the Title Insurance to Buyer.

7. Severability: If any Term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the Terms of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or otherwise invalidated.

8. Brokers or Realtors: Seller has not listed the Property with a real estate broker or realtor, and neither Buyer nor Seller has enlisted the services of a broker or realtor in any connection therewith. The parties do not owe any broker's or realtor's commission or fee to any broker or realtor relating in any manner whatsoever to this Agreement, the Property or the Transaction. The parties will in any event pay any such commissions owed to their respective realtors or brokers if any is found to be due.

9. Notices: Any notices required or permitted to be given pursuant to this Agreement shall be deemed given when either personally delivered or alternatively sent by Federal Express (or any overnight service provider having readily traceable service) to Seller or Buyer as follows:

To Buyer:
Liberty Development Company
28045 Ranney Pkwy.
Westlake, OH 44145
Attention: Tom Kuluris

With copy to:
Ulmer&Berne, LLP
Mary Forbes Lovett, Esq.
1660 West 2nd Street
Cleveland, Ohio, 44113

To Seller:
City of Lakewood, Ohio
12650 Detroit Avenue
Lakewood, OH 44107
Attention: Mayor

With copy to:
City of Lakewood, Ohio
12650 Detroit Avenue
Lakewood, OH 44107
Attention: Law Director

Either Seller or Buyer may change its notice address by providing the other with written notice as provided hereinabove setting forth such new address.

10. Successors and Assigns: The Terms shall extend to and be binding upon the respective successors and assigns of both Seller and Buyer or Buyer's nominee(s) (as applicable).

11. Governing Law: This Agreement shall be governed by and construed in accordance with Ohio law. The Cuyahoga County, Ohio Common Pleas Court shall have the sole jurisdiction and venue over and respecting any claims, causes of action, liabilities or disputes which arise among and between Seller and Buyer relating in any manner whatsoever to this Agreement, the Transaction or the Property.

12. Effective Date: The effective date of this Agreement (the "Effective Date"), shall be the latest date upon which Seller or Buyer executes the same.

13. Conditions Precedent to Buyer's Obligations: All of Buyer's duties, obligations and liabilities to Seller under this Agreement are wholly contingent upon the following conditions precedent (collectively the "Buyer's Conditions"):

(a) Buyer being satisfied in its sole discretion with the results of its Due Diligence, as set forth in Section 15 below.

(b) That there exist no liens, conditions, easements, encumbrances, restrictions, rights-of-way or any "Unacceptable Title Matters" relative to the Property that would prevent or impair Buyer's utilization, ownership,

possession or development of the Property for Buyer's use thereof to construct the Project, subject, however, to the use restrictions found within the Permitted Encumbrances.

(c) That any EPA Phase I or Phase II Assessments, Wetland Delineations or Studies, Location Surveys, ALTA Surveys and Flood Surveys which Buyer may obtain relative to the Property are wholly satisfactory to Buyer and do not disclose any materially adverse conditions at the Property as Buyer determines in Buyer's reasonable discretion.

(d) That any percolation testing, soil reports, storm water management, Clean Air Act, drinking water tests, adequacy of utilities and any other inspections, tests, soil borings or investigations (collectively the "Tests and Reports") which Buyer may want to obtain or conduct at the Property (at Buyer's sole expense) do not disclose any materially adverse conditions at or relevant to the Property as Buyer determines in Buyer's discretion.

(e) That the Property be properly and correctly zoned for a use under which the Project may be constructed and that there otherwise do not exist any federal, state, county, city or local regulations, restrictions, issues, requirements or conditions materially adverse to the Property or Buyer's development thereof as Buyer determines in Buyer's discretion, subject, however, to the use restrictions found within the Permitted Encumbrances.

(f) That the Property shall consist of approximately 2.88 acres and shall be configured as depicted within Exhibit "A" hereto.

(g) That Buyer has obtained any and all final approvals and permits from Seller, Cuyahoga County, the state of Ohio and any other governmental agency or body that Buyer needs to promptly develop the Property and to construct the Project thereon; provided Buyer has timely applied for and promptly proceeded in good faith to satisfy all application requirements associated with the approvals or permits.

(h) That Closing shall occur on or before the Closing Date (with time being of the essence).

(i) That there shall have been no material adverse changes in or to the Property or relating thereto prior to Closing as Buyer and Seller determine in their reasonable discretion.

(j) That Seller shall at Closing be ready, willing and able to execute and deliver the Deed and any and all Closing documents and instruments that Buyer and the Title Company reasonably require.

In the event Buyer's Conditions (a) through (f) are not met, Buyer may, by written notice to Seller not later than 5:00 p.m. on the 90th day immediately following the day on which all of the following have voted to approve the plans for the Project: (i) the architectural review board; (ii) the planning commission; and (iii) city council (which shall mark the conclusion of the period known as the "Inspection Period"), terminate this Agreement, whereupon the Deposit (and any Additional Deposit) shall be returned to Buyer and the parties shall be released from any further obligations hereunder each to the other, except that Buyer shall promptly provide Seller with copies of any Tests and Reports, and Buyer and Seller shall each pay one-half (1/2) of all the expenses of the Escrow Agent and the Title Company. In the event Buyer's Conditions (g) through (j) are not met, Buyer may, by written notice to Seller not later than 5:00 p.m. on the Closing Date, terminate this Agreement, whereupon the Deposit (and any Additional Deposit) shall be returned to Buyer and the parties shall be released from any further obligations hereunder each to the other, except that Buyer shall promptly provide Seller with copies of any Tests and Reports, and Buyer shall pay all the expenses of the Escrow Agent and the Title Company. In the event that Buyer fails to deliver to Seller such termination notice prior to the expiration of the Inspection Period or the Closing Date, as applicable, Buyer shall be deemed to have waived Buyer's right to terminate based on Buyer's Conditions, and the parties shall proceed to Closing upon the terms contained herein without reduction in the Purchase Price (and the Deposit and Additional Deposit shall become nonrefundable and shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy if Buyer defaults under or breaches this Agreement, in addition to any other remedies provided for herein).

14. Conditions Precedent to Seller's Obligations: All of Seller's duties, obligations and liabilities to Buyer under this Agreement are wholly contingent upon the following conditions precedent (collectively, the "Seller's Conditions"):

(a) The information provided by Buyer to Seller in all submissions provided as part of the request for qualification and request for proposal process preceding this Agreement, as well as all the "Submittals" (as hereinafter defined), shall be found in every respect to be true and accurate.

(b) Upon or prior to February 2, 2015, Buyer shall have provided the following to Seller (the "Submittals"):

- (i) drawings and plans as required by the architectural review board and the planning commission ("Plans") that reasonably evidence that Buyer shall construct Phase I of the Project generally outlined on Exhibit "B" for delivery to arm's-length purchasers not later than the date that is the 24-month anniversary of the Effective Date, subject to delays caused by or attributable to Acts of God, labor strikes, material shortages, inclement weather and other matters beyond Buyer's reasonable control; and
- (ii) Plans that reasonably evidence that Buyer shall construct Phase II of the Project generally outlined on Exhibit "B" for delivery to arm's-length purchasers not later than the date that is the 36-month anniversary of the Effective Date, subject to delays caused by or attributable to Acts of God, labor strikes, material shortages, inclement weather and other matters beyond Buyer's reasonable control; and
- (iii) other submittals as may be reasonably required by the city in writing. Buyer's Submittals shall be subject to applicable laws, including but not limited to building and zoning requirements, as well as any additional review by and approval from Seller's board of building standards/architectural board of review, planning commission and, if necessary, board of zoning appeals, but otherwise shall not be subject to Seller's satisfaction or approval.

(c) Buyer's representations and warranties are true and correct in all material respects.

In the event any of Seller's Conditions set forth in this Section are not satisfied by the end of the Inspection Period, Seller may, by written notice to Buyer not later than 5:00 p.m. on the end of the Inspection Period, terminate this Agreement, whereupon the Deposit (and any Additional Deposit) shall be retained by and paid to Seller and the parties shall, thereafter, be released from any further obligations hereunder each to the other, and Buyer shall pay all the expenses of the Escrow Agent and the Title Company. In the event that Seller elects not to terminate this Agreement, Seller shall be deemed to have waived its right to terminate based on Seller's Conditions, and the parties shall proceed to Closing upon the terms contained herein without an adjustment in the Purchase Price.

15. Due Diligence, Inspection and Right of Access: During the Inspection Period, upon notice to and coordination with Seller, Buyer (and Buyer's consultant(s) or agent(s)) shall at Buyer's sole expense have the right to assess, analyze, inspect, test and evaluate the Property from and after the Effective Date to determine the suitability and feasibility of the Property for Buyer's intended use thereof ("Due Diligence"); provided Buyer does not violate any covenants and restrictions imposed on the Property as reflected in documents on public record. Upon notice to and in coordination with Seller, Buyer and Buyer's consultant(s) or agent(s) shall have the right to enter upon the Property (at Buyer's sole expense) to inspect and examine the same and to conduct any and all studies, testing, borings, surveys, examinations and sampling and obtain all such Tests and Reports as Buyer or Buyer's lender (as applicable) deem either necessary or desirable (the "Inspections"). Buyer shall, at Buyer's expense, reasonably restore the Property to the preexisting condition thereof (if and as applicable). Buyer hereby agrees to indemnify, defend and hold harmless Seller from and against any losses, liabilities, damages, costs or expenses incurred by Seller as a result of Buyer's inspection activities at the Property; provided, however, notwithstanding any other provisions of this Agreement, Seller shall have no liability for Buyer's discovery of negative facts regarding the Property and any resulting diminution in the value of the Property. Buyer acknowledges and agrees that any such Inspections conducted by Buyer or Buyer's agents and representatives shall be solely at the risk of Buyer. Buyer shall carry commercial general liability insurance covering all activities conducted by Buyer, its agents, contractors and engineers on the Property. Such insurance shall have limits of not less than \$1,000,000.00 for personal injury to or death of any one person, \$2,000,000.00 for personal injury to or death of any number of persons in any one accident and \$500,000.00 for property damage, and shall name Seller as an additional insured. All of the obligations of Buyer under this Section

shall survive Closing or the termination of this Agreement.

Buyer agrees that it shall treat all Tests and Reports as confidential materials and shall not disclose any portion thereof except: (i) to the extent necessary in connection with its evaluation of the Property and to its attorneys, consultants and potential lenders; (ii) to the extent required by law; or (iii) with the express written consent of Seller. Notwithstanding any provision in this Agreement to the contrary, and except as may be required by applicable law, neither Buyer nor Buyer's agents shall contact any governmental authority regarding Buyer's discovery of any Hazardous Substances (as hereinafter defined) on, or any environmental conditions at, the Property without Seller's prior written consent thereto. In addition, if Seller's consent is obtained by Buyer, Seller shall be entitled to receive at least two business days prior written notice of the intended contact and to have a representative present when Buyer has any such contact with any governmental official or representative. For the purposes of this Agreement, the term "Hazardous Substances" shall have the same definition as is set forth in CERCLA (the "Superfund Act"); provided, however, that the definition of the term "Hazardous Substances" shall also include (if not included within the definition contained in the Superfund Act) petroleum and related byproducts, hydrocarbons, radon, asbestos, urea formaldehyde and polychlorinated biphenyl compounds.

16. Seller's Representations and Warranties: Seller covenants, represents and warrants to Buyer ("Seller's Covenants"), that both as of the Effective Date and as of the Closing Date:

(a) Seller owns fee simple and insurable Title to the Property and that Buyer will acquire the Property from Seller free and clear of all liens, encumbrances, claims, demands, easements, covenants, conditions, proffers, restrictions and encroachments of any kind or nature, subject to the Permitted Encumbrances, and other exceptions relating to the Property as set forth in Schedule B of the Commitment (as acceptable to or accepted by Buyer).

(b) Other than those found within the Permitted Encumbrances, Seller has not entered into any other agreements to sell, mortgage, lease, encumber or dispose of any interest in the Property or any portion thereof or any agreement which imposes restrictions on the ability or right of Seller to sell or transfer the Property or any interest therein as required under this Agreement; including, without limitation, any leases, options or rights of first refusal in favor of any persons or entity.

(c) Relative to the Property, Seller has not received any formal notifications of any violations of any applicable federal, state or local ordinances, statutes, codes, rules or regulations relevant or relating thereto except as Seller has otherwise disclosed herein.

(d) To actual knowledge of Seller, there are no hidden or undisclosed underground storage tanks at or upon the Property.

(e) Seller's execution of and performance under this Agreement and Seller's completion of the Transaction will not result in any breach of, constitute a default under or result in the creation of any lien, charge or encumbrance upon the Property under or pursuant to any indenture, mortgage, security agreement, credit agreement or internal governance provisions of Seller or any other agreement or instrument to which Seller is a party or by which Seller or any of the Property may be or is bound; including, without limitation, any options, rights of first refusal or transfer restrictions of any type or nature.

(f) As of the Closing Date, except as noted herein, no consent or approval of any person, entity, governmental agency or body is or will be required for Seller to fully perform under this Agreement or to complete the Transaction in accordance with the Terms.

(g) There are no actions, suits, claims, demands or any other proceedings or investigations, either administrative or judicial, pending or, to the best of Seller's knowledge, threatened against Seller or the Property.

(h) Seller has complied with all applicable laws, regulations, ordinances and rules pertaining to the Property.

(i) Seller is current and at Closing shall be current with and upon all of Seller's obligations and liabilities to pay for any and all utilities servicing the Property.

(j) Seller's Covenants as contained within this Agreement do not and will not contain or furnish any untrue statements of material fact or omit any material information necessary to render Seller's Covenants to not be misleading.

(k) To the actual knowledge of Seller, other than this Agreement, there are no agreements, contracts, licenses, invoices, bills, leases, undertakings or understandings affecting all or any of the Property except as Seller has disclosed in writing to Buyer within this Agreement.

(l) To the best of Seller's knowledge the demolition of the former school building was done in compliance with laws and the sub surface fill is compact and buildable.

All of Seller's Covenants shall survive Closing and the execution, delivery or recordation of the Deed for a period of one (1) year.

17. Buyer's Representations and Warranties: Buyer covenants, represents and warrants to Seller ("Buyer's Covenants"), that both as of the Effective Date and as of the Closing Date:

(a) There is no pending litigation, and to the best of Buyer's knowledge, there is no threatened litigation or claims against Buyer which would impair Buyer's ability to perform its obligations under the terms of this Agreement and to close the transaction as contemplated herein on the Closing Date.

(b) No consent or approval of any person, entity, governmental agency or body is or will be required for Buyer to fully perform under this Agreement and to complete the Transaction in accordance with the Terms.

(c) Buyer is authorized to sign this Agreement, Close the Transaction and perform pursuant to and under the Terms.

(d) Buyer's Covenants as contained within this Agreement do not and will not contain or furnish any untrue statements of material facts or omit any material information necessary to render Buyer's Covenants to not be misleading.

(e) Neither Buyer nor any of its owners, members, shareholders or partners has been convicted of any felony crime or crime involving moral turpitude or of any crime involving an act of theft, fraud, dishonesty or falsification.

All of Buyer's Covenants shall survive Closing and the execution, delivery and recordation of the Deed for a period of one (1) year.

18. Status of Seller: Seller covenants, represents and warrants to Buyer that as of the Effective Date and as of the Closing Date:

(a) Seller is an Ohio municipal corporation;

(b) Seller is authorized to sign this Agreement, close the Transaction and perform pursuant to and under the Terms.

19. Waiver or Modification: None of the Terms can be waived, modified or amended unless and until Seller and Buyer prepare and sign a written waiver or modification, which such waiver or modification must incorporate this Agreement by reference therein and must otherwise ratify and reaffirm the same (subject to the waiver or

modification).

20. Special Conditions: The following shall constitute special Terms of this Agreement and shall survive the Closing:

(a) Existing Surveys, Reports and Title Evidence: Seller has provided or, on Buyer's demand, will promptly provide to Buyer the original or copy of any and all surveys, title evidence, soil test reports, environmental site assessments and any other inspections or testing reports or studies which Seller possesses relative to the Property.

(b) Buyer shall, at its sole cost and expense, be responsible for obtaining all necessary approvals, permits, consents and agreements necessary to enable Buyer or Buyer's nominee(s) to construct, erect, maintain, repair and replace signage and Buyer shall comply with all applicable laws, regulations, rules and ordinances.

(c) Local Participation: Buyer shall in good faith encourage Buyer's contractors, subcontractors, licensees, concessionaires and tenants to use and hire qualified Lakewood businesses and citizens in the development and construction of the Property and for their business operations at the Property (if and as applicable).

(d) Prohibited Uses: Buyer acknowledges that Seller, pursuant to the Prior Deed, is obligated to restrict the use of the Property to a use that is primarily residential in nature, with additional prohibitions on uses found in the Prior Deed. Buyer agrees the Deed will contain the same restrictions and prohibitions on use of the Property, and agrees not to permit operation of any enterprise on the Property in violation of these restrictions and prohibitions. The term "operation" shall include not only those involving the Buyer's Improvements but also all those upon the Property. The Deed shall provide that such prohibitions shall continue for a period of twenty (20) years from the Closing Date.

(e) City's Support: The Seller has agreed to provide the following support for the project: (i) provide parallel parking along the West Clifton border of the Property; (ii) replace the sidewalks on the Property's Northwood Avenue frontage; (iii) provide building permits and inspection fees at cost (not the standard fee schedule) and agrees that there are no separate tap in fees; all subject to separate approval of Seller's city council.

(f) Buyer's Covenant: Buyer will begin construction activities and efforts at the Property ("Construction"), no later than 12 months after the Closing Date and Buyer shall construct a minimum of 15 units as shown on Exhibit "B" for delivery to arm's-length purchasers not later than the date that is the 36-month anniversary of the Closing Date; provided, however, that the deadlines in this paragraph, by reason of Acts of God, labor strike, lockout, inability to procure materials, failure of power, riot, insurrection, war or warlike act, terrorist act, utility blackout or brownout, legal requirement or other reason not within the control of Buyer, shall be continued for a period equivalent to the period of such delay.

21. Condition of Property: BUYER ACKNOWLEDGES THAT EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT: (A) PRIOR TO THE CLOSING, BUYER SHALL HAVE HAD AN OPPORTUNITY TO MAKE ALL INSPECTIONS OF THE PROPERTY AS DESIRED BY BUYER, AND BUYER SHALL HAVE INSPECTED THE PROPERTY AND ACCEPTS IT "AS IS" IN ITS CURRENT CONDITION WITHOUT WARRANTY NOT OTHERWISE SET FORTH HEREIN; (B) BUYER IS AWARE OF THE PRESENT PHYSICAL CONDITION OF THE PROPERTY; AND (C) BUYER FURTHER ACKNOWLEDGES THAT (EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT) THE PROPERTY IS BEING PURCHASED IN ITS PRESENT PHYSICAL CONDITION AND THAT THERE HAVE BEEN NO REPRESENTATIONS, WARRANTIES OR STATEMENTS MADE CONCERNING THE CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION, WARRANTY OR STATEMENT CONCERNING THE ENVIRONMENTAL CONDITION OF THE PROPERTY) OTHER THAN THOSE CONTAINED HEREIN, AND THAT BUYER HAS NOT RELIED ON ANY OTHER REPRESENTATIONS, WARRANTIES OR STATEMENTS. ANY REPRESENTATIONS, WARRANTIES, PROMISES OR STATEMENTS BY ANY BROKER, AGENT OR EMPLOYEE OF SELLER OR ANY OTHER PERSON THAT

DIFFERS IN ANY RESPECT FROM THE TERMS AND CONDITIONS OF THIS AGREEMENT SHALL BE GIVEN NO FORCE AND EFFECT. SUBJECT TO AND EXCEPTING FOR SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, BUYER WAIVES AND RELEASES SELLER FROM ALL CLAIMS AGAINST SELLER ARISING OUT OF THE CONDITION OF THE PROPERTY. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THE PROPERTY IS BEING SOLD AS IS, WHERE IS AND WITH ALL FAULTS. THIS SECTION SHALL SURVIVE CLOSING AND THE RECORDING OF THE DEED FOR RECORD.

Buyer acknowledges that the Site Plan depicted on Exhibit "B" (the "Site Plan") depicts access and egress onto and through the Property. Buyer agrees that it shall, at its sole cost and expense, build, construct and erect all roadways, sidewalks, access drives, traffic signals, signs and infrastructure necessary to comply with the Site Plan as to and upon the Property, including but not limited to, landscaping, civic green space and grading, as required and necessary. Buyer acknowledges that Seller shall have no responsibility or liability for construction of any of the improvements enumerated in this Section or in the Site Plan except as otherwise specifically provided in this Agreement.

Buyer, on behalf of itself and all future owners and occupants of the Property, hereby waives and releases Seller from any claims for recovery of costs associated with conduct of any voluntary action or any remedial responses, corrective action or closure under any applicable federal, state or local environmental laws ("Environmental Laws"). For purposes of this Agreement, the term "Environmental Laws" shall include, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq. and the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq. as amended from time to time; and any similar federal, state and local laws and ordinances and the regulations and rules implementing such statutes, laws and ordinances. The foregoing waiver and release shall be set forth in the Deed and shall be binding upon all future owners and occupants of the Property.

22. Entire Agreement; Survival: There are no covenants, representations, warranties, agreements or conditions, either express or implied, which in any way affect, form a part of, or relate to this Agreement except for the Terms hereof. This Agreement constitutes the entire understanding and agreement between Seller and Buyer. All of the Terms of this Agreement; including, without limitation, Seller's Covenants and Seller's other representations and warranties, shall survive Closing and the execution, delivery and recordation of the Deed.

(The signature page follows.)

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement in duplicate original counterparts on the date(s) set forth hereinbelow.

THE CITY OF LAKEWOOD, an Ohio municipal corporation ("Seller")

LIBERTY DEVELOPMENT COMPANY, an Ohio corporation ("Buyer")

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____

ESCROW CONSENT

The undersigned agrees to act as the Title Company and Escrow Agent for the transaction described in the above Agreement as provided herein.

[title company]

By: _____

Its: _____

Dated: _____

EXHIBITS

Exhibit A
Land

Exhibit B
Property Site Plan

Exhibit C
Promissory Note

Exhibit D
Deed Restrictions

Exhibit E
Deed

EXHIBIT A

Land

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, described as follows:

Parcel No. 1

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, and known as being in Section No. 23, and bounded and described as follows:

Commencing at the center of Detroit Plank Road, so called, 30 feet easterly from the East line of C. Southern's land, on the North side of Detroit Street;

thence running northerly parallel with said Southern's East line and 30 feet therefrom the whole distance of his land and continuing Northerly in a straight line until it strikes the southerly line of James Carmen's land;

thence westerly along the Southerly line of said Carmen's land until it strikes the East line of J.D. Wager's land;

thence southerly along the East line of said Wager's land to C. Southern's land;

thence easterly along the Northerly line of said Southern's land to northwest corner of same;

thence southerly along the Easterly line of same land to the center of Detroit Street;

thence easterly along the center of Detroit Street to the place of beginning.

Parcel No. 2

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, and known as being part of section twenty-three (23) Rockport Township, and bounded and described as follows:

Beginning at a point in the south line of the Northwood Park Subdivision as recorded in Volume 29 of Maps, Page 27 of Cuyahoga County Records, which bears South 89° 39' 30" East 144 feet from the intersection with the easterly line of West Clifton Boulevard, said beginning point being at the northeast corner of land conveyed to the Board of Education by deed recorded in Volume 191, Page 551 of Cuyahoga County Deed Records; thence South 5° 37' 30" East along the easterly line of lands conveyed to the Board of Education as aforesaid 294.55 feet to an iron bolt; thence North 73° 55' 30" East parallel to and 20 feet distant northerly at right angles from the northerly line of Detroit Avenue 275.56 feet to an iron bolt; thence North 4° 49' West parallel to and 175 feet distant westerly at right angles from the westerly line of Webb Road 215.95 feet to an iron bolt on the south line of the Northwood Park Subdivision; thence North 89° 39' 30" West along said southerly line 275.53 feet to the place of beginning, containing 1.597 acres of land.

Parcel No. 3

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, Section No. 23, Rockport Township and being known as all of Sublot No. 8 in the Northwood Park Subdivision in the said City of Lakewood, as recorded by plat in Volume 29 of Maps, Page 27 of Cuyahoga County Records, and being further described as follows:

Beginning at a point in the intersection of the southerly lot line of said Lot No. 8, and the easterly street line of West Clifton Boulevard; thence North 00° 03' 30" West a distance of 74.05 feet in the easterly street line of West Clifton Boulevard to the Northwest corner of said Lot No. 8; thence South 89° 45' 30" East a distance

of 160 feet in the Northerly lot line of said Lot No. 8 to the Northeasterly corner of said lot and the westerly line of an alley; thence South $00^{\circ} 03' 30''$ East a distance of 60 feet to a point in the easterly lot line of said Lot No. 8, and the westerly line of an alley; thence North $89^{\circ} 45' 30''$ West, a distance of 40 feet to a point in the northerly line of an alley; thence South $00^{\circ} 03' 30''$ East a distance of 14.30 feet to a point in the southerly lot line of said Lot No. 8; thence North $89^{\circ} 39' 30''$ West a distance of 120 feet to the place of beginning.

Parcel No. 4

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, Section No. 23, Rockport Township, and being known as part of Lot No. 7 in the Northwood Park Subdivision in said City of Lakewood, as shown by plat recorded in Volume 29 of Maps, Page 27 of Cuyahoga County Records, and being further described as follows:

Beginning at a point in the intersection of the southerly lot line of said Lot No. 7, and the easterly street line of West Clifton Boulevard; thence North $00^{\circ} 03' 30''$ West in the Easterly street line of West Clifton Boulevard a distance of 29.95 feet to a point in the south line of the proposed extension of Northwood Avenue; thence South $89^{\circ} 39' 30''$ East a distance of 160 feet, along the south line of the said Northwood Avenue Extension to a point in the easterly lot line of said Lot No. 7; thence South $00^{\circ} 03' 30''$ East a distance of 29.67 feet to a point in the easterly lot line of said Lot No. 7; thence North $89^{\circ} 45' 30''$ West a distance of 160 feet in the southerly lot line of said Lot No. 7, to the point of beginning.

Parcel No. 5

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, and known as being all of that part of vacated Cannon Alley, as shown by the Vacation Plat recorded in Volume 204 of Maps, Page 22 of Cuyahoga County Records.

(Permanent Parcel No. 311-22-028)

EXHIBIT B
Outline of Project
(to be provided)

EXHIBIT C
Promissory Note
(to be provided)

EXHIBIT D
Deed Restrictions
(to be provided)

The following restrictions shall be made a part of the Deed:

1. Grantee, on behalf of itself and all future owners and occupants of the Property, hereby waives and releases Grantor from any claims for recovery of costs associated with conduct of any voluntary action or any remedial responses, corrective action or closure under any applicable federal, state or local environmental laws ("Environmental Laws"). For purposes of this provision, the term "Environmental Laws" shall include, without limitation, CERCLA and the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 *et seq.*, as amended from time to time; and any similar federal, state and local laws and ordinances and the regulations and rules implementing such statutes, laws and ordinances, and any similar federal, state and local laws and ordinances and the regulations and rules implementing such statutes, laws and ordinances. The foregoing waiver and release shall be binding upon all future owners and occupants of the Property.
2. The Property shall not in any event be used as a theatre, supermarket, bowling alley, billiard parlor, night club or any other business serving or selling alcoholic beverages (except that restaurants may serve alcoholic beverages as an ancillary part of their business), funeral parlor, automobile dealership, skating rink, adult bookstore or establishment selling, exhibiting or distributing pornographic or obscene materials, massage parlor, so-called "head shop," unsupervised amusement arcade or game room, body and fender shop or off-track betting parlor.
3. The improvements to be constructed by Grantee on the Property (the "Improvements") shall be primarily a residential development, shall have been previously approved by Grantor, and shall not be subject to any tax abatement or deferral ("Permitted Use").
4. Prior to the construction of the Improvements on the Property, the party or parties constructing the initial Improvements shall submit to Grantor a site plan and building layout in connection with the initial Improvements to be constructed on the Property for the review and written approval of the Grantor, which review and approval shall not be unreasonably withheld, conditioned or delayed by Grantor.
5. Repurchase right. The Property and any and all rights and interests appurtenant thereto are subject to the Right to Repurchase (as defined herein) held by Grantor, its successors and assigns, on the following terms and conditions:
 - (a) Grantor has reserved and does hereby reserve unto itself, its successors and assigns, and Grantee does hereby grant and convey to Grantor, its successors and assigns, the right and option, but not the obligation, to repurchase the Property as set forth below from Grantee (hereinafter referred to as the "Right to Repurchase"), for the Repurchase Price (as hereinafter defined) and on the other terms and conditions hereof if (i) Grantee fails to commence construction of the Improvements on or before the expiration of the twelfth full calendar month after the date of the Closing (for purposes of the Right to Repurchase set forth in this Deed the date of Closing shall be deemed the date of this Deed), or (ii) Grantee fails to complete construction of fifteen (15) units for delivery to arm's-length purchasers not later than the date that is the 36-month anniversary of the date of Closing (any of the deadlines in items (i) and (ii) (hereinafter referred to as the "Commencement Deadline"); provided, however, that in the event of Acts of God, strikes, terrorism, war, unavailability of materials or any other cause outside the reasonable control of Grantee, the Commencement Deadline shall be reasonably extended to reflect the time loss due to the unexpected delay and the time to complete the same using reasonably prompt diligence. Grantor must exercise the Right to Repurchase by written notice to Grantee delivered within six full calendar months after the Commencement Deadline.
 - (b) If Grantor fails to deliver timely the required notice under paragraph (a), then the Right to Repurchase thereupon automatically ceases and terminates and is of no further force and effect without any further action by any of the parties. The Right to Repurchase set forth herein shall automatically cease and terminate upon Grantee's transfer of any portion of the Property to a third-party, but only as to such portion of the Property, without any further action on any part of the parties hereto; provided, however, that then Grantor shall, upon

the request of Grantee or its successor-in-title, at Grantee's cost, execute a termination agreement in recordable form terminating the Right to Repurchase as to such property and shall deliver the same to Grantee.

(c) If Grantor exercises the Right to Repurchase in accordance with the terms hereof, then the consummation of such transaction (hereinafter referred to as "Repurchase Closing") will occur in the offices of Grantor's counsel on that date which is 60 days after the delivery to Grantee of the exercise notice or such earlier date upon which Grantor and Grantee agree.

(d) At the Repurchase Closing, Grantee shall execute and deliver to Grantor: (i) a limited warranty deed conveying title to the Property to Grantor, subject only to the Permitted Exceptions, and such other matters established against title after the date of Closing with the express written consent of Grantor (except financing liens established at or after Closing, which Grantee shall discharge prior to or at the time of the re-conveyance); (ii) such other documents, certificates, instruments and the like, as may be required by the Title Company to issue a policy of title insurance subject only to the Permitted Exceptions, with all standard exceptions removed; and (iii) possession of the Property, subject to the matters permitted hereunder.

(e) In the event that Grantor elects to exercise the Right to Repurchase in accordance herewith, the purchase price for the Property (hereinafter referred to as the "Repurchase Price") shall be whatever amounts Grantee shall have paid to Grantor by the Closing Date for Grantee's purchase of the property, including any deposits, cash and principal and interest paid by Grantee to Grantor under the terms of the purchase agreement between Grantee and Grantor and mortgage note from Grantee to Grantor plus the fair market value of any improvements to the Property made by the Buyer but in no event less than the amount due under the Construction Mortgage. Grantor shall deliver the Repurchase Price to the Title Company in cash or other funds available for immediate credit to Grantee. Closing costs shall be shared by the Grantor and the Grantee according to the custom of the jurisdiction in which the Property is located.

EXHIBIT E
Deed
(to be provided)



DEPARTMENT OF PLANNING & DEVELOPMENT
DRU SILEY, DIRECTOR

12650 Detroit Avenue • 44107 • (216) 529-6630 • FAX (216) 529-5936
www.onelakewood.com/development

February 10th, 2015

Lakewood City Council
Lakewood, OH 44107

RE: Planning Commission Recommendation McKinley School Site Rezoning
Ordinance 3-15

Dear Members of Council:

At the January 20th City Council meeting Ordinance 3-15 was introduced requesting to rezone the former location of McKinley school from C-4 (Commercial, Public Schools) to a Planned Development (PD) for the purpose of constructing approximately 40 townhouse units. Council referred the proposed ordinance to the Planning Commission for a review and recommendation.

On February 5th, the Planning Commission voted unanimously to recommend that Council approve the proposed planned development.

McKinley Place PD will meet the goals of Lakewood's Community Vision by helping to further diversify housing options, be a high quality design to complement the surrounding neighborhood and address important considerations such as parking, storm water management and open space.

I would like to thank the Planning Commission and the Architectural Board of Review for their hard work and guidance in shaping this important project.

Sincerely,

Dru Siley
Director

PLACED ON 1ST READING & REFERRED TO THE
PLANNING COMMISSION 1/20/15.

PLACED ON 2ND READING 2/2/15.

ORDINANCE NO. 3-15

BY:

AN ORDINANCE to amend Section 1105.02 of the Zoning Code of the Codified Ordinances of the City of Lakewood by changing and revising the Zoning Map of the City with respect to certain property as set forth and described as 1351 West Clifton Blvd. (PPN 311-22-028) from C4 (Commercial, Public School) to PD (Planned Development).

WHEREAS, it is necessary and desirable to rezone the property which is the site of the former McKinley School to allow for the redevelopment of the property; and

WHEREAS, Article 18, Section 3 of the Constitution of the State of Ohio permits municipalities to exercise all powers of local self-government and to adopt and enforce within their limits such as local police, sanitary and other regulations as are not in conflict with general laws; now, therefore

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Section 1105.02 of the Zoning Code of the Codified Ordinances of the City of Lakewood be and the same is hereby amended by changing and revising the Zoning Map of the City from C4 (Commercial, Public School) to PD (Planned Development) for the following property:

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, described as follows:

Parcel No. 1

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, and known as being in Section No. 23, and bounded and described as follows:

Commencing at the center of Detroit Plank Road, so called, 30 feet easterly from the East line of C. Southern's land, on the North side of Detroit Street;

thence running northerly parallel with said Southern's East line and 30 feet therefrom the whole distance of his land and continuing Northerly in a straight line until it strikes the southerly line of James Carmen's land;

thence westerly along the Southerly line of said Carmen's land until it strikes the East line of J.D. Wager's land;

thence southerly along the East line of said Wager's land to C. Southern's land;

thence easterly along the Northerly line of said Southern's land to northwest corner of same;

thence southerly along the Easterly line of same land to the center of Detroit Street;

thence easterly along the center of Detroit Street to the place of beginning.

Parcel No. 2

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, and known as being part of section twenty-three (23) Rockport Township, and bounded and described as follows:

Beginning at a point in the south line of the Northwood Park Subdivision as recorded in Volume 29 of Maps, Page 27 of Cuyahoga County Records, which bears South 89° 39' 30" East 144 feet from the intersection with the easterly line of West Clifton Boulevard, said beginning point being at the northeast corner of land conveyed to the Board of Education by deed recorded in Volume 191, Page 551 of Cuyahoga County Deed Records; thence South 5° 37' 30" East along the easterly line of lands conveyed to the Board of Education as aforesaid 294.55 feet to an iron bolt; thence North 73° 55' 30" East parallel to and 20 feet distant northerly at right angles from the northerly line of Detroit Avenue 275.56 feet to an iron bolt; thence North 4° 49' West parallel to and 175 feet distant westerly at right angles from the westerly line of Webb Road 215.95 feet to a iron bolt on the south line of the Northwood Park Subdivision; thence North 89° 39' 30" West along said southerly line 275.53 feet to the place of beginning, containing 1.597 acres of land.

Parcel No. 3

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, Section No. 23, Rockport Township and being known as all of Sublot No. 8 in the Northwood Park Subdivision in the said City of Lakewood, as recorded by plat in Volume 29 of Maps, Page 27 of Cuyahoga County Records, and being further described as follows:

Beginning at a point in the intersection of the southerly lot line of said Lot No. 8, and the easterly street line of West Clifton Boulevard; thence North 00° 03' 30" West a distance of 74.05 feet in the easterly street line of West Clifton Boulevard to the Northwest corner of said Lot No. 8; thence South 89° 45' 30" East a distance of 160 feet in the Northerly lot line of said Lot No. 8 to the Northeast corner of said lot and the westerly line of an alley; thence South 00° 03' 30" East a distance of 60 feet to a point in the easterly lot line of said Lot No. 8, and the westerly line of an alley; thence North 89° 45' 30" West, a distance of 40 feet to a point in the northerly line of an alley; thence South 00° 03' 30" East a distance of 14.30 feet to a point in the southerly lot line of said Lot No. 8; thence North 89° 39' 30" West a distance of 120 feet to the place of beginning.

Parcel No. 4

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, Section No. 23, Rockport Township, and being known as part of Lot No. 7 in the Northwood Park Subdivision in said City of Lakewood, as shown by plat recorded in Volume 29 of Maps, Page 27 of Cuyahoga County Records, and being further described as follows:

Beginning at a point in the southerly lot line of said Lot No. 7, and the easterly street line of West Clifton Boulevard; thence North 00° 03' 30" West in the Easterly street line of West Clifton Boulevard a distance of 29.95 feet to a point in the south line of the proposed extension of Northwood Avenue; thence South 89° 39' 30" East a distance of 160 feet, along the south line of the said Northwood Avenue Extension to a point in the easterly lot line of said Lot No. 7; thence South 00° 03' 30" East a distance of 29.67 feet to a point in the easterly lot line of said Lot No. 7; thence North 89° 45' 30" West a distance of 160 feet in the southerly lot line of said Lot No. 7, to the point of beginning.

Parcel No. 5

Situated in the City of Lakewood, County of Cuyahoga, State of Ohio, and known as being all of that part of vacated Cannon Alley, as shown by the Vacation Plat recorded in Volume 204 of Maps, Page 22 of Cuyahoga County Records.

(Permanent Parcel No. 311-22-028)

Section 2. The Director of Planning and Development is hereby authorized and directed to make the reclassification change on the zoning map of the City of Lakewood, Ohio, in order to reflect the amendment designated in Section 1 of this ordinance.

Section 3. It is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Adopted: _____

PRESIDENT

CLERK OF COUNCIL

Approved: _____

MAYOR

ORDINANCE NO. 4-15

BY:

AN ORDINANCE to amend Section 903.10, Duty to Repair and Maintain Sidewalks, of the Codified Ordinances of the City of Lakewood to remove the requirement that a sidewalk survey be included with the notice to repair.

WHEREAS, traditionally, a sidewalk survey or form with a drawing indicating that blocks of concrete which need to be replaced or repaired has been included with a notice to repair a sidewalk, tree lawn or driveway apron and is currently required by ordinance; and

WHEREAS, sidewalk inspections are no longer done with a paper diagram which becomes the sidewalk survey, instead pavement markings are used to indicate which areas require repair or replacement; and

WHEREAS, Article 18, Section 3 of the Constitution of the State of Ohio permits municipalities to exercise all powers of local self-government and to adopt and enforce within their limits such as local police, sanitary and other regulations as are not in conflict with general laws; now, therefore

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Section 903.10, Duty to Repair and Maintain Sidewalks, currently reading as follows:

903.10 DUTY TO REPAIR AND MAINTAIN SIDEWALKS, TREE LAWNS AND DRIVEWAY APRONS.

(a) For the purpose of this section, "sidewalk" means that portion of a street between the curb lines, or the lateral lines of a roadway, and the adjacent property lines, intended for the use of pedestrians, including the area commonly referred to as the "tree lawn."

(b) As used in this section, "driveway apron" means that area of the driveway from the curb to the sidewalk.

(c) The property owner whose property abuts any sidewalk shall be primarily responsible for the repair and maintenance of such sidewalk, driveway apron and tree lawn area.

(1) Any hole or defect that is a tripping hazard or that is capable of causing injury, inconvenience, annoyance or damage to sidewalk users shall be repaired by the abutting property owner within a reasonable period of time from the time at which the property owner should have known of the necessity of such repair through the exercise of due diligence, or within such time as may be determined as reasonable by the Director of Public Works at the time the repair work is determined to be necessary.

(2) The failure of a property owner to reasonably repair such defect in accordance with the applicable time frame shall be considered a negligent act as

a matter of law, and the property owner shall be liable for any injury resulting from such defect.

(d) The Director of Public Works, upon determining that the condition of any sidewalk, driveway apron or tree lawn constitutes a public hazard, may order the abutting property owner to repair any sidewalk, driveway apron, or tree lawn which the City finds to be a nuisance or in an unsafe condition.

(1) The Director of Public Works shall serve a written notice of his or her determination in the manner provided by law for service in a civil action, setting forth a duplicate of the sidewalk survey indicating which sidewalks, driveway aprons, or tree lawns are to be repaired, the cost per square foot of those repairs and a time frame in which such work is to be completed.

(2) If a property owner fails to repair a sidewalk or tree lawn as required by such order, the Director of Public Works may perform the work determined necessary and assess the cost of such work to the abutting land owner.

(3) The Director of Public Works shall have the authority to inspect any sidewalk or tree lawn and issue a citation and order to repair to any property owner whose property abuts a sidewalk or tree lawn that is in an unreasonable state of disrepair or is determined to be a public hazard. The order to repair and citation shall be in writing upon a form approved by the Director of Public Works setting forth the specific conditions determined to be a public hazard or unreasonable state of disrepair and shall contain a date for compliance not less than thirty days from the date of the issuance of the order and citation, unless a longer period is determined to be appropriate by the Director of Public Works.

shall be and is hereby amended to read as follows:

903.10 DUTY TO REPAIR AND MAINTAIN SIDEWALKS, TREE LAWNS AND DRIVEWAY APRONS.

(a) For the purpose of this section, "sidewalk" means that portion of a street between the curb lines, or the lateral lines of a roadway, and the adjacent property lines, intended for the use of pedestrians, including the area commonly referred to as the "tree lawn."

(b) As used in this section, "driveway apron" means that area of the driveway from the curb to the sidewalk.

(c) The property owner whose property abuts any sidewalk shall be primarily responsible for the repair and maintenance of such sidewalk, driveway apron and tree lawn area.

(1) Any hole or defect that is a tripping hazard or that is capable of causing injury, inconvenience, annoyance or damage to sidewalk users shall be repaired by the abutting property owner within a reasonable period of time from the time at which the property owner should have known of the necessity of such repair through the exercise of due diligence, or within such time as may be determined as reasonable by the Director of Public Works at the time the repair work is determined to be necessary.

(2) The failure of a property owner to reasonably repair such defect in accordance with the applicable time frame shall be considered a negligent act as

a matter of law, and the property owner shall be liable for any injury resulting from such defect.

(d) The Director of Public Works, upon determining that the condition of any sidewalk, driveway apron or tree lawn constitutes a public hazard, may order the abutting property owner to repair any sidewalk, driveway apron, or tree lawn which the City finds to be a nuisance or in an unsafe condition.

(1) The Director of Public Works shall serve a written notice of his or her determination in the manner provided by law for service in a civil action, setting forth a ~~duplicate of the sidewalk survey~~ sufficient information indicating which sidewalks, driveway aprons, or tree lawns are to be repaired, the estimated cost per square foot of those repairs and a time frame in which such work is to be completed, which shall be not less than 30 days from the date of the issuance of the order and citation, unless a longer period is determined to be appropriate by the Director of Public Works.

(2) If a property owner fails to repair a sidewalk or tree lawn as required by such order, the Director of Public Works may perform the work determined necessary and assess the cost of such work to the abutting land owner.

~~(3) The Director of Public Works shall have the authority to inspect any sidewalk or tree lawn and issue a citation and order to repair to any property owner whose property abuts a sidewalk or tree lawn that is in an unreasonable state of disrepair or is determined to be a public hazard. The order to repair and citation shall be in writing upon a form approved by the Director of Public Works setting forth the specific conditions determined to be a public hazard or unreasonable state of disrepair and shall contain a date for compliance not less than thirty days from the date of the issuance of the order and citation, unless a longer period is determined to be appropriate by the Director of Public Works.~~

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

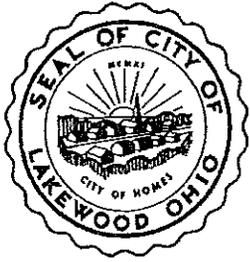
Adopted: _____

PRESIDENT

CLERK OF COUNCIL

Approved: _____

MAYOR



12650 DETROIT AVENUE 44107 216/529-6055 FAX 216/226-3650
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Lakewood City Council
MARY LOUISE MADIGAN, PRESIDENT
RYAN P. NOWLIN, VICE PRESIDENT

Council at Large
RYAN P. NOWLIN
THOMAS R. BULLOCK III
CINDY MARX

Ward Council
DAVID W. ANDERSON, WARD 1
SAM O'LEARY, WARD 2
SHAWN P. JURIS, WARD 3
MARY LOUISE MADIGAN, WARD 4

REQUEST FOR ECONOMIC IMPACT STUDY OF LAKEWOOD HOSPITAL CLOSURE AND PROPOSAL SET FORTH IN LETTER OF INTENT BETWEEN CLEVELAND CLINIC, LAKEWOOD HOSPITAL ASSOCIATION, AND LAKEWOOD HOSPITAL FOUNDATION

February 9, 2015

Dear Members of Council,

The purpose of this communication is to respectfully ask that Council consider drafting and publishing a Request for Qualifications to identify a firm that could produce a study of the economic impacts of the closure of Lakewood Hospital, and also the potential economic impact of the proposal set forth in the Letter of Intent signed by the Cleveland Clinic, Lakewood Hospital Association, and Lakewood Hospital Foundation.

As we all know, Lakewood Hospital is an integral and long-standing institution in our city, the activities of which affect the City, its businesses, and its residents. The closure of Lakewood Hospital, and the implementation of the proposal from the Cleveland Clinic, would both have profound effects not only on the City of Lakewood's finances, but also on individuals, businesses, and other entities within our community that go well beyond the loss of rent and income taxes paid to the City. These impacts could include the additional loss of jobs or revenue in businesses such as restaurants or shops that are heavily trafficked by Lakewood Hospital patients, employees, and visitors, as well as the potential for an exodus of medical professionals and their associated practices following the relocation of portions of the City's healthcare delivery infrastructure to Fairview Hospital and Avon facilities. In addition, there may be further impacts which we have not yet undertaken to comprehend, let alone measure. It is, in my view, essential that we both identify and measure the impacts of this sea change before we are left struggling to cope with unanticipated consequences.

I hope that my Council colleagues and members of the Mayor's administration will join me in a collaborative drafting process to ensure that this study is adequate in its breadth and pragmatic in providing City officials with the perspective needed to further deliberations and negotiations.

Respectfully Submitted,
/s/ Sam O'Leary

Council – Ward II
Rules and Ordinances Committee, Chair
Public Works Committee, Member



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Ward Council
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SAM O'LEARY, WARD 2
SHAWN JURIS, WARD 3
MARY LOUISE MADIGAN, WARD 4

February 11, 2015

Lakewood City Council
Lakewood, Ohio 44107

Dear Colleagues:

As we have all come to understand, Subsidiary Health Care was hired by the governing board of Lakewood Hospital Association to develop a "Strategic Options Review Process." Later, this role came to include deliberating with the Cleveland Clinic via seven formal negotiating sessions in addition to numerous additional calls and discussions which culminated in the Letter of Intent that is before us now.

By all accounts, Subsidiary has served those entities well. However, extending the logic for utilizing a consultant on this important matter suggests that Council would also benefit from fair and objective feedback and analysis to come to our own informed decision on the matter concerning the future of Lakewood Hospital and health care delivery in our city for decades to come.

While I feel we certainly can learn from Subsidiary's extensive effort to date, Council would benefit from a discussion as to the best entity to serve Council and residents. Accordingly, I ask that Council initiate a thorough discussion and process that would determine the entity to consult this body in the coming weeks and months.

Respectfully, I request that this communication be referred to a committee of Council's choosing for immediate consideration.

Yours in service,

David W. Anderson
Member of Council, Ward One



Jennifer R. Pae
Director of Finance

12650 DETROIT AVENUE • 44107 • 216/529-6092 • FAX 216/529-6806

February 16, 2015

Lakewood City Council
Lakewood, OH 44107

Re: 2015 1st Quarter Transfers and Advances

Dear Members of Council:

The 2015 1st Quarter Transfer Ordinance reflects 25 percent of the total anticipated transfers between funds that were included within the 2015 appropriations.

It also includes \$273,000 that was advanced from the General Fund at the end of the year 2014 to four separate funds that needed the advance in order to end up in a positive position.

Please place on first reading and refer to the Finance Committee for further discussion.

Sincerely,

Jennifer R. Pae
Director of Finance



ORDINANCE NO.

BY:

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, law authorizing the transfer and advance of certain funds.

WHEREAS, this Council by a vote of at least five of its members determines that this ordinance is an emergency measure, and that this ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood, and that it is necessary for the immediate preservation of the public peace, property, health and safety, and to provide for the usual daily operation of municipal departments to provide for the usual daily operation of the City in that the City must record all financial transactions within the appropriate fiscal period; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. The Director of Finance is hereby authorized to make the following transfers and advances:

	Fund	#	
		1st Quarter	
		Transfers Out	Transfers In
101	General Fund	\$ 212,867	
	Special Revenue Funds		
250	Office on Aging IIIB		\$ 170,000
	Internal Service Funds		
600	Hospitalization		\$ 39,589
601	Workers' Compensation		\$ 3,279
	Debt Service Payments		
101	General Fund (HB 300 Lease)	\$ 55,000	
211	SCMR (HB 300 Lease)	\$ 6,250	
260	Lakewood Hosptl (HB 300 Lease)	\$ 300	
501	Water (HB 300 Lease)	\$ 3,813	
510	WWC (HB 300 Lease)	\$ 800	
511	WWTP (HB 300 Lease)	\$ 18,750	
520	Parking (HB 300 Lease)	\$ 1,125	
530	Winterhurst (HB 300 Lease)	\$ 20,000	
301	Debt Service Fund	\$ -	\$ 106,038
512	WWTP Improvements	\$ 400,000	
301	Debt Service Fund		\$ 400,000
	Fund	Advances Out	Advances In
240	Community Development Block Grant	\$ 215,000	
241	Emergency Shelter Grant	\$ 6,000	
281	Family to Family	\$ 2,000	
530	Winterhurst	\$ 50,000	
101	General Fund		\$ 273,000

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 3. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare in the City and for the usual daily operation of the City for the reasons set forth and defined in the preamble, and provided it receives the affirmative vote of at least five members of Council, this ordinance shall take effect and be in force immediately upon its adoption by the Council and approval by the Mayor, or otherwise it shall take effect and be in force after the earliest period allowed by law.

Adopted: _____

President of Council

Clerk of Council

Approved: _____

Mayor



12650 DETROIT AVENUE • 44107 • 216/529-6092 • FAX 216/529-6806

Jennifer R. Pae
Director of Finance

February 16, 2015

Lakewood City Council
Lakewood, OH 44107

Re: \$12,027,000 Renewal of 2011, 2012, 2013, 2014 Various Purpose General Obligation Bond
Anticipation Notes (GO BANs)
\$5,350,000 in 2015 GO BANs for new capital projects

Dear Members of Council,

Attached please find the Ordinances and Fiscal Officer's Certificates relating to the issuance of various purpose general obligation bond anticipation notes in the amount of \$17,377,000 used to finance capital improvement projects.

The City will be refunding the \$1.948 million in GO BANs originally issued in 2011, \$2.0 million in GO BANs issued in 2012, \$2.304 million in GO BANs issued in 2013, and \$5.775 million in GO BANs issued in 2014 for capital projects during those years.

The \$5.35 million in new notes corresponds to an amount not to exceed for the City's 2015 capital improvement program paid via GO BANs entailing:

1. \$2,000,000 West End Sewer Separation
2. \$1,500,000 Street Resurfacing Program
3. \$950,000 Park Improvements
4. \$650,000 Sidewalk Improvements
5. \$250,000 City Facility Roof Improvements

I respectfully request that this legislation be placed on first reading and referred to the Finance Committee for further review and discussion.

Sincerely,

Jennifer R. Pae
Director of Finance

ORDINANCE NO. _____

By: _____

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$12,027,000 in anticipation of the issuance of bonds to pay costs of (i) improving Madison Avenue by providing new traffic signalization; (ii) improving and renovating the refuse facility; (iii) replacing the roof on city hall; (iv) resurfacing Atkins Avenue, Arlington Road, Arthur Avenue, Blossom Park Avenue, Brockley Avenue, Clifton Boulevard, Cranford Street, Cove Avenue, Donald Street, Hird Avenue, Lakeland Road, Lakeland Avenue, Larchmont Avenue, Lauderdale Avenue, Lewis Drive, Madison Avenue, McKinley Avenue, Marlowe Avenue, Morrison Avenue, Nicholson Street, North Marginal Street, Northland Avenue, Olive Avenue, Overlook Road, South Marginal Street, St. Charles Avenue, Summit Avenue, Wascana Avenue, Waterbury Road, Woodward Avenue, Woodward Street, Wyandotte Avenue, and other streets located within the city; (v) improving Detroit Avenue, Franklin Street, Hilliard Street and Madison Avenue by providing new and upgraded traffic signalization and pedestrian signals; (vi) improving the municipal garage ventilation system; (vii) improving parks within the city, including Lakewood Park, Wagar Park and the Lakewood Park skate house, together with all necessary appurtenances thereto; (viii) reconstructing Madison Avenue; (ix) constructing a sheet pile bulkhead, docks and a parking area, together with all necessary appurtenances thereto; (x) improving sidewalks within the city, (xi) replacing a salt storage facility and (xii) improving the sewer system in the city by constructing the West End sewer separation project and a new sanitary sewer and improvements and renovations to the existing sanitary sewers and storm water sewers along Edgewater Drive, together with all necessary appurtenances thereto, and retiring notes previously issued for such purpose; and approving related matters.

WHEREAS, the City Council (the "Council") of the City of Lakewood, Ohio (the "City") has issued notes dated April 14, 2014, in the aggregate principal amount of \$12,027,000, which will mature April 10, 2015 (the "Outstanding Notes"), in anticipation of the issuance of bonds described herein; and

WHEREAS, it appears advisable in lieu of issuing bonds at this time to issue new notes in anticipation of the issuance of bonds, and to retire all, or a portion of, the Outstanding Notes; and

WHEREAS, the Director of Finance (the "Director of Finance") of the City has certified to this Council that the estimated life of the improvement stated in the title of this ordinance (the "Project") which is to be financed with the proceeds of bonds and notes hereinafter referred to exceeds five years, the maximum maturity of bonds being 19 years and notes being 19 years; and

WHEREAS, this Council by a vote of at least five of its members determines that this ordinance is an emergency measure, and that this ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood (the "Charter"), and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments and further to allow the City to issue the notes with other notes to be issued by the City into a consolidated issue and obtain savings in the issuance of the notes; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$12,027,000, for the purpose of paying the cost of the Project.

Section 2. Terms of the Bonds. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein below), shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid, and shall mature in 19 annual installments.

Section 3. Issuance of Bond Anticipation Notes. It is necessary to issue, and this Council hereby determines that there shall be issued, notes in anticipation of the issuance of the Bonds.

Section 4. Combining Notes for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it may be in the best interest of the City to combine the Notes with other limited tax general obligations notes of the City authorized by separate ordinance of this Council. The Notes and such other notes shall be jointly referred to herein as the "Combined Notes." As used in this ordinance, the term "Notes" shall also mean the Combined Notes, where appropriate. The Combined Notes shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance.

Section 5. Terms of the Notes; Certificate of Fiscal Officer Relating to Terms of Notes. Such anticipatory notes (the "Notes") shall be in the amount of not to exceed \$12,027,000, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the Director of Finance and certified to this Council and shall mature on such date as shall be determined by the Director of Finance and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such denominations as shall be determined by the Director of Finance, but not exceeding the principal amount of Notes maturing on any one date and shall be numbered as determined by the Director of Finance. The Notes shall be issued as fully registered notes in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

The Director of Finance is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, consistent with the requirements of this ordinance, and to present the same to this Council after closing.

Section 6. General Obligation Pledge. The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity and are hereby pledged for such purpose. The Notes may be issued on one or more series.

Section 7. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that

taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payments of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and Bonds in accordance with law.

Section 8. Sale of the Notes. The Notes shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Director of Finance and certified to this Council, provided that such rate shall not exceed 5.00% per annum. The Notes shall be, and hereby are, awarded and sold at private sale to KeyBanc Capital Markets Inc., Cleveland, Ohio (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer.

The Director of Finance is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose.

Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other obligations of the City as permitted by law. Any premium received from the sale of the Notes may be used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

Section 9. Form and Execution of Notes; Payment of Notes. The Notes shall be executed by the Director of Finance and the Mayor, provided that any and all of such signatures may be a facsimile, shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance, and shall be payable as to both principal and interest at the office of Note Registrar (as defined hereinbelow). The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Director of Finance on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 10. Appointment of Note Registrar. The Director of Finance is authorized and directed to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Director of Finance and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, note registrar, transfer agent, and paying agent (the "Note Registrar") for the Notes. Interest shall be payable at maturity by check or

draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Director of Finance in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Director of Finance may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions of this ordinance, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

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

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

The City and the Note Registrar shall not be required to transfer or exchange (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes, and ending at the close of business on the day of such mailing, or (ii) any Notes selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed, and the Note Registrar shall authenticate and deliver, the Notes in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Council and Note 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 Council or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Notes surrendered upon that transfer or exchange.

Section 11. Book Entry System. For purposes of this ordinance, the following terms shall have the following meanings:

“Book entry form” or “book entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of notes and to effect transfers of notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

The Notes may initially be issued to a Depository for use in a book entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City. Note service charges on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the Depository or its authorized representative upon presentation and surrender of Notes as provided in this ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

If requested, the Mayor, Director of Finance, Clerk of Council, or any other officer of this Council, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the paying agent for the Notes and The Depository Trust Company, as depository, to be delivered in connection with the issuance of the Notes to the Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the City and the Note Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver bond certificates in fully registered form to the

assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

Section 12. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Director of Finance, or any other officer of the City, including the Mayor, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of Finance, which action shall be in writing and signed by the Director of Finance, or any other officer of the City, including the Mayor, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with sections 141 through 150 of the Code and the Regulations.

The Director of Finance shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Director of Finance of the City is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

Appointment of Bond Counsel. The Director of Finance, on behalf of this Council, is hereby authorized to appoint the law firm of Bricker & Eckler LLP to serve as bond counsel for the Notes. The fees to be paid to such firm shall be subject to review and approval of the Director of Finance, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Notes.

Section 13. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified

copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Clerk of Council and a no-litigation certificate of the Mayor and the Director of Finance, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Director of Finance is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this ordinance, as they or their discretion shall deem necessary or appropriate.

Section 14. Satisfaction of Conditions for Note Issuance. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 15. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 16. Filing of Bond Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Fiscal Officer of Cuyahoga County, Ohio.

Section 17. Emergency Measure. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Notes to enable the City to timely retire the Outstanding Notes and thereby preserve its credit, and provided it receives the affirmative vote of at least five of this Council, this ordinance shall take effect and be in force at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Charter.

Adopted: _____, 2015

President of Council

Clerk of Council

Approved: _____, 2015

Mayor

CERTIFICATE OF ESTIMATED LIFE AND MAXIMUM MATURITY

To: The City Council of the
City of Lakewood, Ohio

The undersigned Director of Finance of the City of Lakewood, Ohio as the fiscal officer of said City, hereby certifies as follows:

1. The estimated life of the improvements described as follows (the "Improvements") exceeds five years:

to pay costs of (i) improving Madison Avenue by providing new traffic signalization; (ii) improving and renovating the refuse facility; (iii) replacing the roof on City Hall; (iv) resurfacing Atkins Avenue, Arlington Road, Arthur Avenue, Blossom Park Avenue, Brockley Avenue, Clifton Boulevard, Cranford Street, Cove Avenue, Donald Street, Hird Avenue, Lakeland Road, Lakeland Avenue, Larchmont Avenue, Lauderdale Avenue, Lewis Drive, Madison Avenue, McKinley Avenue, Marlowe Avenue, Morrison Avenue, Nicholson Street, North Marginal Street, Northland Avenue, Olive Avenue, Overlook Road, South Marginal Street, St. Charles Avenue, Summit Avenue, Wascana Avenue, Waterbury Road, Woodward Avenue, Woodward Street, Wyandotte Avenue, and other streets located within the City; (v) improving Detroit Avenue, Franklin Street, Hilliard Street and Madison Avenue by providing new and upgraded traffic signalization and pedestrian signals; (vi) improving the municipal garage ventilation system; (vii) improving parks within the City, including Lakewood Park, Wagar Park and the Lakewood Park Skate House, together with all necessary appurtenances thereto; (viii) reconstructing Madison Avenue; (ix) constructing a sheet pile bulkhead, docks and a parking area, together with all necessary appurtenances thereto; (x) improving sidewalks within the City, (xi) replacing a salt storage facility and (xii) improving the sewer system in the City by constructing the West End Sewer Separation project and a new sanitary sewer and improvements and renovations to the existing sanitary sewers and storm water sewers along Edgewater Drive, together with all necessary appurtenances thereto

2. The amounts proposed to be expended for various classes of improvements, and the maximum maturity of bonds issued for such purposes, calculated in accordance with Section 133.20, Ohio Revised Code, are as follows:

- A. Improving Madison Avenue by providing new traffic signalization; 20 years
- B. Improving and renovating the refuse facility; 20 years
- C. Replacing the roof on City Hall; 20 years
- D. Resurfacing Atkins Avenue, Arlington Road, Arthur Avenue, Blossom Park Avenue, Brockley Avenue, Clifton Boulevard, Cranford Street, Cove Avenue, Donald Street, Hird Avenue, Lakeland Road, Lakeland Avenue, Larchmont Avenue, Lauderdale Avenue, Lewis Drive, Madison Avenue, McKinley Avenue, Marlowe Avenue, Morrison Avenue, Nicholson Street, North Marginal Street, Northland Avenue, Olive

Avenue, Overlook Road, South Marginal Street, St. Charles Avenue, Summit Avenue, Wascana Avenue, Waterbury Road, Woodward Avenue, Woodward Street, Wyandotte Avenue, and other streets located within the City; 15 years

- E. Improving Detroit Avenue, Franklin Street, Hilliard Street and Madison Avenue by providing new and upgraded traffic signalization and pedestrian signals; 15 years
 - F. Improving the municipal garage ventilation system; 20 years
 - G. Improving parks within the City, including Lakewood Park, Wagar Park and the Lakewood Park Skate House, together with all necessary appurtenances thereto; 10 years
 - H. Reconstructing Madison Avenue; 20 years
 - I. Constructing a sheet pile bulkhead, docks and a parking area, together with all necessary appurtenances thereto; 16 years
 - J. Improving sidewalks within the City; 10 years
 - K. Replacing a salt storage facility; 20 years
 - L. Improving the sewer system in the City by constructing the West End Sewer Separation project and a new sanitary sewer and improvements and renovations to the existing sanitary sewers and storm water sewers along Edgewater Drive, together with all necessary appurtenances thereto; 40 years
3. The weighted average of said maturities is 19 years, therefore the maximum maturity of a single issue of bonds proposed to be issued to pay the cost of such permanent improvements, calculated in accordance with Section 133.20, Ohio Revised Code, is 19 years, provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 19 years.

Dated: February 17, 2015

Director of Finance
City of Lakewood, Ohio

ORDINANCE NO. _____

By: _____

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$2,000,000 in anticipation of the issuance of bonds; to pay costs of West End sewer separation project, together with all necessary appurtenances thereto.

WHEREAS, the Director of Finance (the "Director of Finance") of the City of Lakewood, Ohio (the "City") has certified to this Council that the estimated life of the improvement stated in the title of this ordinance (the "Project") which is to be financed with the proceeds of bonds and notes hereinafter referred to exceeds five years, the maximum maturity of bonds being 40 years and notes being 20 years; and

WHEREAS, this Council by a vote of at least five of its members determines that this Ordinance is an emergency measure, and that this Ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood (the "Charter"), and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments and further to allow the City to issue the notes with other notes to be issued by the City into a consolidated issue and obtain savings in the issuance of the notes; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$2,000,000, for the purpose of paying the cost of the Project.

Section 2. Terms of the Bonds. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein below), shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid, and shall mature in 10 annual installments.

Section 3. Issuance of Bond Anticipation Notes. It is necessary to issue, and this Council hereby determines that there shall be issued, notes in anticipation of the issuance of the Bonds.

Section 4. Combining Notes for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it may be in the best interest of the City to combine the Notes with other limited tax general obligations notes of the City authorized by separate ordinance of this Council. The Notes and such other notes shall be jointly referred to herein as the "Combined Notes." As used in this ordinance, the term "Notes" shall also mean the Combined Notes, where appropriate. The Combined Notes shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance.

Section 5. Terms of the Notes; Certificate of Fiscal Officer Relating to Terms of Notes. Such anticipatory notes (the "Notes") shall be in the amount of not to exceed \$2,000,000, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the Director of Finance and certified to this Council and shall mature on such date as shall be determined by the Director of Finance and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such

denominations as shall be determined by the Director of Finance, but not exceeding the principal amount of Notes maturing on any one date and shall be numbered as determined by the Director of Finance. The Notes shall be issued as fully registered notes in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

The Director of Finance is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, consistent with the requirements of this ordinance, and to present the same to this Council after closing.

Section 6. General Obligation Pledge. The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity and are hereby pledged for such purpose. The Notes may be issued in one or more series.

Section 7. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payments of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and Bonds in accordance with law.

Section 8. Sale of the Notes. The Notes shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Director of Finance and certified to this Council, provided that such rate shall not exceed 5.00% per annum. The Notes shall be, and hereby are, awarded and sold at private sale to KeyBanc Capital Markets Inc., Cleveland, Ohio (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer.

The Director of Finance is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose.

Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other

obligations of the City as permitted by law. Any premium received from the sale of the Notes may be used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

Section 9. Form and Execution of Notes; Payment of Notes. The Notes shall be executed by the Director of Finance and the Mayor, provided that any and all of such signatures may be a facsimile, shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance, and shall be payable as to both principal and interest at the office of Note Registrar (as defined hereinbelow). The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Director of Finance on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 10. Appointment of Note Registrar. The Director of Finance is authorized and directed to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Director of Finance and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, note registrar, transfer agent, and paying agent (the "Note Registrar") for the Notes. Interest shall be payable at maturity by check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Director of Finance in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Director of Finance may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions of this ordinance, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Notes, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured

principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

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

The City and the Note Registrar shall not be required to transfer or exchange (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes, and ending at the close of business on the day of such mailing, or (ii) any Notes selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed, and the Note Registrar shall authenticate and deliver, the Notes in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Council and Note 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 Council or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Notes surrendered upon that transfer or exchange.

Section 11. Book Entry System. For purposes of this ordinance, the following terms shall have the following meanings:

“Book entry form” or “book entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of notes and to effect transfers of notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

The Notes may initially be issued to a Depository for use in a book entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City. Note service charges on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the

Depository or its authorized representative upon presentation and surrender of Notes as provided in this ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

If requested, the Mayor, Director of Finance, Clerk of Council, or any other officer of this Council, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the paying agent for the Notes and The Depository Trust Company, as depository, to be delivered in connection with the issuance of the Notes to the Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the City and the Note Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver bond certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

Section 12. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Director of Finance, or any other officer of the City, including the Mayor, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of

Finance, which action shall be in writing and signed by the Director of Finance, or any other officer of the City, including the Mayor, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with sections 141 through 150 of the Code and the Regulations.

The Director of Finance shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Director of Finance of the City is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

Section 13. Appointment of Bond Counsel. The Director of Finance, on behalf of this Council, is hereby authorized to appoint the law firm of Bricker & Eckler LLP to serve as bond counsel for the Notes. The fees to be paid to such firm shall be subject to review and approval of the Director of Finance, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Notes.

Section 14. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Clerk of Council and a non-litigation certificate of the Mayor and the Director of Finance, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Director of Finance is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this ordinance, as they in their discretion shall deem necessary or appropriate.

Section 15. Satisfaction of Conditions for Note Issuance. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 16. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in

an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 17. Filing of Bond Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Fiscal Officer of Cuyahoga County, Ohio.

Section 18. Emergency Measure. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Notes to enable the City to combine the Notes with other notes to be issued by the City into a consolidated note issue and obtain savings in the issuance of the Notes; and provided it receives the affirmative vote of at least five of this Council, this ordinance shall take effect and be in force at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Charter.

Adopted: _____, 2015

President of Council

Clerk of Council

Approved: _____, 2015

Mayor

CERTIFICATE OF ESTIMATED LIFE AND MAXIMUM MATURITY

To: The City Council of the
City of Lakewood, Ohio

The undersigned Director of Finance of the City of Lakewood, Ohio as the fiscal officer of said City, hereby certifies as follows:

1. The estimated life of the improvements described as follows (the “Improvements”) exceeds five years:

To pay costs of West End Sewer Separation project, together with all necessary appurtenances thereto
2. The maximum maturity of the bonds proposed to be issued to pay the cost of the Improvements, calculated in accordance with Section 133.20, Ohio Revised Code, is 40 years, provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 20 years.

Dated: February 17, 2015

Director of Finance
City of Lakewood, Ohio

ORDINANCE NO. _____

By: _____

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$1,500,000 in anticipation of the issuance of bonds; to pay the costs of resurfacing Arthur Avenue, Carabel Avenue, Cliffdale Avenue, Cook Avenue, Cranford Avenue, Edgewater Drive, Edwards Avenue, Garfield Avenue, Kenneth Avenue, Lake Point Drive, Maile Avenue, Nicolson Avenue, Ogontz Avenue, Owego Avenue, Rockway Avenue, Sloane Subway, South Marginal Drive, St. Charles Avenue, and other streets located within the city.

WHEREAS, the Director of Finance (the "Director of Finance") of the City of Lakewood, Ohio (the "City") has certified to this Council that the estimated life of the improvement stated in the title of this ordinance (the "Project") which is to be financed with the proceeds of bonds and notes hereinafter referred to exceeds five years, the maximum maturity of bonds being 10 years and notes being 15 years; and

WHEREAS, this Council by a vote of at least five of its members determines that this ordinance is an emergency measure, and that this ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood (the "Charter"), and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments and further to allow the City to issue the notes with other notes to be issued by the City into a consolidated issue and obtain savings in the issuance of the notes; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$1,500,000, for the purpose of paying the cost of the Project.

Section 2. Terms of the Bonds. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein below), shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid, and shall mature in 10 annual installments.

Section 3. Issuance of Bond Anticipation Notes. It is necessary to issue, and this Council hereby determines that there shall be issued, notes in anticipation of the issuance of the Bonds.

Section 4. Combining Notes for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it may be in the best interest of the City to combine the Notes with other limited tax general obligations notes of the City authorized by separate ordinance of this Council. The Notes and such other notes shall be jointly referred to herein as the "Combined Notes." As used in this ordinance, the term "Notes" shall also mean the Combined Notes, where appropriate. The Combined Notes shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance.

Section 5. Terms of the Notes; Certificate of Fiscal Officer Relating to Terms of Notes. Such anticipatory notes (the "Notes") shall be in the amount of not to exceed \$1,500,000, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the Director of Finance

and certified to this Council and shall mature on such date as shall be determined by the Director of Finance and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such denominations as shall be determined by the Director of Finance, but not exceeding the principal amount of Notes maturing on any one date and shall be numbered as determined by the Director of Finance. The Notes shall be issued as fully registered notes in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

The Director of Finance is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, consistent with the requirements of this ordinance, and to present the same to this Council after closing.

Section 6. General Obligation Pledge. The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity and are hereby pledged for such purpose. The Notes may be issued in one or more series.

Section 7. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payments of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and Bonds in accordance with law.

Section 8. Sale of the Notes. The Notes shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Director of Finance and certified to this Council, provided that such rate shall not exceed 5.00% per annum. The Notes shall be, and hereby are, awarded and sold at private sale to KeyBanc Capital Markets Inc., Cleveland, Ohio (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer.

The Director of Finance is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose.

Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other obligations of the City as permitted by law. Any premium received from the sale of the Notes may be used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

Section 9. Form and Execution of Notes; Payment of Notes. The Notes shall be executed by the Director of Finance and the Mayor, provided that any and all of such signatures may be a facsimile, shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance, and shall be payable as to both principal and interest at the office of Note Registrar (as defined hereinbelow). The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Director of Finance on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 10. Appointment of Note Registrar. The Director of Finance is authorized and directed to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Director of Finance and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, note registrar, transfer agent, and paying agent (the "Note Registrar") for the Notes. Interest shall be payable at maturity by check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Director of Finance in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Director of Finance may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions of this ordinance, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Notes, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a

power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

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

The City and the Note Registrar shall not be required to transfer or exchange (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes, and ending at the close of business on the day of such mailing, or (ii) any Notes selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed, and the Note Registrar shall authenticate and deliver, the Notes in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Council and Note 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 Council or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Notes surrendered upon that transfer or exchange.

Section 11. Book Entry System. For purposes of this ordinance, the following terms shall have the following meanings:

“Book entry form” or “book entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of notes and to effect transfers of notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

The Notes may initially be issued to a Depository for use in a book entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee

of a Depository, without further action by the City. Note service charges on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the Depository or its authorized representative upon presentation and surrender of Notes as provided in this ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

If requested, the Mayor, Director of Finance, Clerk of Council, or any other officer of this Council, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the paying agent for the Notes and The Depository Trust Company, as depository, to be delivered in connection with the issuance of the Notes to the Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the City and the Note Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver bond certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

Section 12. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Director of Finance, or any other officer of the City, including the Mayor, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or

making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of Finance, which action shall be in writing and signed by the Director of Finance, or any other officer of the City, including the Mayor, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with sections 141 through 150 of the Code and the Regulations.

The Director of Finance shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Director of Finance of the City is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

Section 13. Appointment of Bond Counsel. The Director of Finance, on behalf of this Council, is hereby authorized to appoint the law firm of Bricker & Eckler LLP to serve as bond counsel for the Notes. The fees to be paid to such firm shall be subject to review and approval of the Director of Finance, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Notes.

Section 14. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Clerk of Council and a non-litigation certificate of the Mayor and the Director of Finance, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Director of Finance is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this ordinance, as they in their discretion shall deem necessary or appropriate.

Section 15. Satisfaction of Conditions for Note Issuance. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 16. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 17. Filing of Bond Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Fiscal Officer of Cuyahoga County, Ohio.

Section 18. Emergency Measure. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Notes to enable the City to combine the Notes with other notes to be issued by the City into a consolidated note issue and obtain savings in the issuance of the Notes; and provided it receives the affirmative vote of at least five of this Council, this ordinance shall take effect and be in force at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Charter.

Adopted: _____, 2015

President of Council

Clerk of Council

Approved: _____, 2015

Mayor

CERTIFICATE OF ESTIMATED LIFE AND MAXIMUM MATURITY

To: The City Council of the
City of Lakewood, Ohio

The undersigned Director of Finance of the City of Lakewood, Ohio as the fiscal officer of said City, hereby certifies as follows:

1. The estimated life of the improvements described as follows (the "Improvements") exceeds five years:

To pay the costs of resurfacing Arthur Avenue, Carabel Avenue, Cliffdale Avenue, Cook Avenue, Cranford Avenue, Edgewater Drive, Edwards Avenue, Garfield Avenue, Kenneth Avenue, Lake Point Drive, Maile Avenue, Nicolson Avenue, Ogontz Avenue, Owego Avenue, Rockway Avenue, Sloan Subway, South Marginal Drive, St. Charles Avenue, and other streets located within the City

2. The maximum maturity of the bonds proposed to be issued to pay the cost of the Improvements, calculated in accordance with Section 133.20, Ohio Revised Code, is 15 years, provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 20 years.

Dated: February 17, 2015

Director of Finance
City of Lakewood, Ohio

ORDINANCE NO. _____

By: _____

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$950,000 in anticipation of the issuance of bonds; to pay the costs of improving parks within the city, including Lakewood Park, together with all necessary appurtenances thereto.

WHEREAS, the Director of Finance (the "Director of Finance") of the City of Lakewood, Ohio (the "City") has certified to this Council that the estimated life of the improvement stated in the title of this ordinance (the "Project") which is to be financed with the proceeds of bonds and notes hereinafter referred to exceeds five years, the maximum maturity of bonds being 10 years and notes being 15 years; and

WHEREAS, this Council by a vote of at least five of its members determines that this ordinance is an emergency measure, and that this ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood (the "Charter"), and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments and further to allow the City to issue the notes with other notes to be issued by the City into a consolidated issue and obtain savings in the issuance of the notes; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$950,000, for the purpose of paying the cost of the Project.

Section 2. Terms of the Bonds. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein below), shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid, and shall mature in 10 annual installments.

Section 3. Issuance of Bond Anticipation Notes. It is necessary to issue, and this Council hereby determines that there shall be issued, notes in anticipation of the issuance of the Bonds.

Section 4. Combining Notes for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it may be in the best interest of the City to combine the Notes with other limited tax general obligations notes of the City authorized by separate ordinance of this Council. The Notes and such other notes shall be jointly referred to herein as the "Combined Notes." As used in this ordinance, the term "Notes" shall also mean the Combined Notes, where appropriate. The Combined Notes shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance.

Section 5. Terms of the Notes; Certificate of Fiscal Officer Relating to Terms of Notes. Such anticipatory notes (the "Notes") shall be in the amount of not to exceed \$950,000, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the Director of Finance and certified to this Council and shall mature on such date as shall be determined by the Director of Finance and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such

denominations as shall be determined by the Director of Finance, but not exceeding the principal amount of Notes maturing on any one date and shall be numbered as determined by the Director of Finance. The Notes shall be issued as fully registered notes in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

The Director of Finance is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, consistent with the requirements of this ordinance, and to present the same to this Council after closing.

Section 6. General Obligation Pledge. The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity and are hereby pledged for such purpose. The Notes may be issued in one or more series.

Section 7. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payments of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and Bonds in accordance with law.

Section 8. Sale of the Notes. The Notes shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Director of Finance and certified to this Council, provided that such rate shall not exceed 5.00% per annum. The Notes shall be, and hereby are, awarded and sold at private sale to KeyBanc Capital Markets Inc., Cleveland, Ohio (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer.

The Director of Finance is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose.

Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other

obligations of the City as permitted by law. Any premium received from the sale of the Notes may be used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

Section 9. Form and Execution of Notes; Payment of Notes. The Notes shall be executed by the Director of Finance and the Mayor, provided that any and all of such signatures may be a facsimile, shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance, and shall be payable as to both principal and interest at the office of Note Registrar (as defined hereinbelow). The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Director of Finance on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 10. Appointment of Note Registrar. The Director of Finance is authorized and directed to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Director of Finance and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, note registrar, transfer agent, and paying agent (the "Note Registrar") for the Notes. Interest shall be payable at maturity by check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Director of Finance in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Director of Finance may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions of this ordinance, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Notes, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured

principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

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

The City and the Note Registrar shall not be required to transfer or exchange (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes, and ending at the close of business on the day of such mailing, or (ii) any Notes selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed, and the Note Registrar shall authenticate and deliver, the Notes in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Council and Note 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 Council or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Notes surrendered upon that transfer or exchange.

Section 11. Book Entry System. For purposes of this ordinance, the following terms shall have the following meanings:

“Book entry form” or “book entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of notes and to effect transfers of notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

The Notes may initially be issued to a Depository for use in a book entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City. Note service charges on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the

Depository or its authorized representative upon presentation and surrender of Notes as provided in this ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

If requested, the Mayor, Director of Finance, Clerk of Council, or any other officer of this Council, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the paying agent for the Notes and The Depository Trust Company, as depository, to be delivered in connection with the issuance of the Notes to the Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the City and the Note Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver bond certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

Section 12. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Director of Finance, or any other officer of the City, including the Mayor, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of

Finance, which action shall be in writing and signed by the Director of Finance, or any other officer of the City, including the Mayor, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with sections 141 through 150 of the Code and the Regulations.

The Director of Finance shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Director of Finance of the City is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

Section 13. Appointment of Bond Counsel. The Director of Finance, on behalf of this Council, is hereby authorized to appoint the law firm of Bricker & Eckler LLP to serve as bond counsel for the Notes. The fees to be paid to such firm shall be subject to review and approval of the Director of Finance, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Notes.

Section 14. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Clerk of Council and a non-litigation certificate of the Mayor and the Director of Finance, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Director of Finance is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this ordinance, as they in their discretion shall deem necessary or appropriate.

Section 15. Satisfaction of Conditions for Note Issuance. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 16. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in

an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 17. Filing of Bond Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Fiscal Officer of Cuyahoga County, Ohio.

Section 18. Emergency Measure. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Notes to enable the City to combine the Notes with other notes to be issued by the City into a consolidated note issue and obtain savings in the issuance of the Notes; and provided it receives the affirmative vote of at least five of this Council, this ordinance shall take effect and be in force at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Charter.

Adopted: _____, 2015

President of Council

Clerk of Council

Approved: _____, 2015

Mayor

CERTIFICATE OF ESTIMATED LIFE AND MAXIMUM MATURITY

To: The City Council of the
City of Lakewood, Ohio

The undersigned Director of Finance of the City of Lakewood, Ohio as the fiscal officer of said City, hereby certifies as follows:

1. The estimated life of the improvements described as follows (the "Improvements") exceeds five years:

To pay the costs of improving parks within the City, including Lakewood Park, together with all necessary appurtenances thereto

2. The maximum maturity of the bonds proposed to be issued to pay the cost of the Improvements, calculated in accordance with Section 133.20, Ohio Revised Code, is 10 years, provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 15 years.

Dated: February 17, 2015

Director of Finance
City of Lakewood, Ohio

ORDINANCE NO. _____

By: _____

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$650,000 in anticipation of the issuance of bonds; to pay costs of improving sidewalks within the city.

WHEREAS, the Director of Finance (the "Director of Finance") of the City of Lakewood, Ohio (the "City") has certified to this Council that the estimated life of the improvement stated in the title of this ordinance (the "Project") which is to be financed with the proceeds of bonds and notes hereinafter referred to exceeds five years, the maximum maturity of bonds being 10 years and notes being 15 years; and

WHEREAS, this Council by a vote of at least five of its members determines that this Ordinance is an emergency measure, and that this Ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood (the "Charter"), and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments and further to allow the City to issue the notes with other notes to be issued by the City into a consolidated issue and obtain savings in the issuance of the notes; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$650,000, for the purpose of paying the cost of the Project.

Section 2. Terms of the Bonds. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein below), shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid, and shall mature in 10 annual installments.

Section 3. Issuance of Bond Anticipation Notes. It is necessary to issue, and this Council hereby determines that there shall be issued, notes in anticipation of the issuance of the Bonds.

Section 4. Combining Notes for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it may be in the best interest of the City to combine the Notes with other limited tax general obligations notes of the City authorized by separate ordinance of this Council. The Notes and such other notes shall be jointly referred to herein as the "Combined Notes." As used in this ordinance, the term "Notes" shall also mean the Combined Notes, where appropriate. The Combined Notes shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance.

Section 5. Terms of the Notes; Certificate of Fiscal Officer Relating to Terms of Notes. Such anticipatory notes (the "Notes") shall be in the amount of not to exceed \$650,000, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the Director of Finance and certified to this Council and shall mature on such date as shall be determined by the Director of Finance and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such denominations as shall be determined by the Director of Finance, but not exceeding the principal amount

of Notes maturing on any one date and shall be numbered as determined by the Director of Finance. The Notes shall be issued as fully registered notes in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

The Director of Finance is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, consistent with the requirements of this ordinance, and to present the same to this Council after closing.

Section 6. General Obligation Pledge. The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity and are hereby pledged for such purpose. The Notes may be issued in one or more series.

Section 7. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payments of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and Bonds in accordance with law.

Section 8. Sale of the Notes. The Notes shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Director of Finance and certified to this Council, provided that such rate shall not exceed 5.00% per annum. The Notes shall be, and hereby are, awarded and sold at private sale to KeyBanc Capital Markets Inc., Cleveland, Ohio (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer.

The Director of Finance is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose.

Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other obligations of the City as permitted by law. Any premium received from the sale of the Notes may be

used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

Section 9. Form and Execution of Notes; Payment of Notes. The Notes shall be executed by the Director of Finance and the Mayor, provided that any and all of such signatures may be a facsimile, shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance, and shall be payable as to both principal and interest at the office of Note Registrar (as defined hereinbelow). The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Director of Finance on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 10. Appointment of Note Registrar. The Director of Finance is authorized and directed to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Director of Finance and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, note registrar, transfer agent, and paying agent (the "Note Registrar") for the Notes. Interest shall be payable at maturity by check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Director of Finance in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Director of Finance may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions of this ordinance, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Notes, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmaturing

principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

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

The City and the Note Registrar shall not be required to transfer or exchange (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes, and ending at the close of business on the day of such mailing, or (ii) any Notes selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed, and the Note Registrar shall authenticate and deliver, the Notes in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Council and Note 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 Council or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Notes surrendered upon that transfer or exchange.

Section 11. Book Entry System. For purposes of this ordinance, the following terms shall have the following meanings:

“Book entry form” or “book entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of notes and to effect transfers of notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

The Notes may initially be issued to a Depository for use in a book entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City. Note service charges on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the

Depository or its authorized representative upon presentation and surrender of Notes as provided in this ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

If requested, the Mayor, Director of Finance, Clerk of Council, or any other officer of this Council, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the paying agent for the Notes and The Depository Trust Company, as depository, to be delivered in connection with the issuance of the Notes to the Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the City and the Note Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver bond certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

Section 12. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Director of Finance, or any other officer of the City, including the Mayor, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of

Finance, which action shall be in writing and signed by the Director of Finance, or any other officer of the City, including the Mayor, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with sections 141 through 150 of the Code and the Regulations.

The Director of Finance shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Director of Finance of the City is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

Section 13. Appointment of Bond Counsel. The Director of Finance, on behalf of this Council, is hereby authorized to appoint the law firm of Bricker & Eckler LLP to serve as bond counsel for the Notes. The fees to be paid to such firm shall be subject to review and approval of the Director of Finance, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Notes.

Section 14. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Clerk of Council and a non-litigation certificate of the Mayor and the Director of Finance, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Director of Finance is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this ordinance, as they in their discretion shall deem necessary or appropriate.

Section 15. Satisfaction of Conditions for Note Issuance. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 16. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in

an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 17. Filing of Bond Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Fiscal Officer of Cuyahoga County, Ohio.

Section 18. Emergency Measure. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Notes to enable the City to combine the Notes with other notes to be issued by the City into a consolidated note issue and obtain savings in the issuance of the Notes; and provided it receives the affirmative vote of at least five of this Council, this ordinance shall take effect and be in force at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Charter.

Adopted: _____, 2015

President of Council

Clerk of Council

Approved: _____, 2015

Mayor

CERTIFICATE OF ESTIMATED LIFE AND MAXIMUM MATURITY

To: The City Council of the
City of Lakewood, Ohio

The undersigned Director of Finance of the City of Lakewood, Ohio as the fiscal officer of said City, hereby certifies as follows:

1. The estimated life of the improvements described as follows (the "Improvements") exceeds five years:

To pay costs of improving sidewalks within the City
2. The maximum maturity of the bonds proposed to be issued to pay the cost of the Improvements, calculated in accordance with Section 133.20, Ohio Revised Code, is 10 years, provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 15 years.

Dated: February 17, 2015

Director of Finance
City of Lakewood, Ohio

ORDINANCE NO. _____

By: _____

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the issuance of notes in the amount of not to exceed \$250,000 in anticipation of the issuance of bonds; and to pay the costs of replacing or improving the roofs of city hall, city hall annex, Winterhurst ice rink and the city's service garage.

WHEREAS, the Director of Finance (the "Director of Finance") of the City of Lakewood, Ohio (the "City") has certified to this Council that the estimated life of the improvement stated in the title of this ordinance (the "Project") which is to be financed with the proceeds of bonds and notes hereinafter referred to exceeds five years, the maximum maturity of bonds being 11 years and notes being 16 years; and

WHEREAS, this Council by a vote of at least five of its members determines that this ordinance is an emergency measure, and that this ordinance shall take effect at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood (the "Charter"), and that it is necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments and further to allow the City to issue the notes with other notes to be issued by the City into a consolidated issue and obtain savings in the issuance of the notes; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$250,000, for the purpose of paying the cost of the Project.

Section 2. Terms of the Bonds. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein below), shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid, and shall mature in 10 annual installments.

Section 3. Issuance of Bond Anticipation Notes. It is necessary to issue, and this Council hereby determines that there shall be issued, notes in anticipation of the issuance of the Bonds.

Section 4. Combining Notes for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it may be in the best interest of the City to combine the Notes with other limited tax general obligations notes of the City authorized by separate ordinance of this Council. The Notes and such other notes shall be jointly referred to herein as the "Combined Notes." As used in this ordinance, the term "Notes" shall also mean the Combined Notes, where appropriate. The Combined Notes shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance.

Section 5. Terms of the Notes; Certificate of Fiscal Officer Relating to Terms of Notes. Such anticipatory notes (the "Notes") shall be in the amount of not to exceed \$250,000, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the Director of Finance and certified to this Council and shall mature on such date as shall be determined by the Director of Finance and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such

denominations as shall be determined by the Director of Finance, but not exceeding the principal amount of Notes maturing on any one date and shall be numbered as determined by the Director of Finance. The Notes shall be issued as fully registered notes in book-entry form in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

The Director of Finance is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, consistent with the requirements of this ordinance, and to present the same to this Council after closing.

Section 6. General Obligation Pledge. The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity and are hereby pledged for such purpose. The Notes may be issued in one or more series.

Section 7. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payments of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and Bonds in accordance with law.

Section 8. Sale of the Notes. The Notes shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Director of Finance and certified to this Council, provided that such rate shall not exceed 5.00% per annum. The Notes shall be, and hereby are, awarded and sold at private sale to KeyBanc Capital Markets Inc., Cleveland, Ohio (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer.

The Director of Finance is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose.

Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other

obligations of the City as permitted by law. Any premium received from the sale of the Notes may be used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

Section 9. Form and Execution of Notes; Payment of Notes. The Notes shall be executed by the Director of Finance and the Mayor, provided that any and all of such signatures may be a facsimile, shall be designated "City of Lakewood, Ohio Various Purpose Improvement Notes, Series 2015," or as otherwise determined by the Director of Finance, and shall be payable as to both principal and interest at the office of Note Registrar (as defined hereinbelow). The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this ordinance and is entitled to the security and benefit of this ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Director of Finance on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 10. Appointment of Note Registrar. The Director of Finance is authorized and directed to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Director of Finance and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, note registrar, transfer agent, and paying agent (the "Note Registrar") for the Notes. Interest shall be payable at maturity by check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Director of Finance in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Director of Finance may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions of this ordinance, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Notes, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured

principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

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

The City and the Note Registrar shall not be required to transfer or exchange (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes, and ending at the close of business on the day of such mailing, or (ii) any Notes selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed, and the Note Registrar shall authenticate and deliver, the Notes in accordance with the provisions of this ordinance. The exchange or transfer shall be without charge to the owner; except that the Council and Note 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 Council or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this ordinance, as the Notes surrendered upon that transfer or exchange.

Section 11. Book Entry System. For purposes of this ordinance, the following terms shall have the following meanings:

“Book entry form” or “book entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of notes and to effect transfers of notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

The Notes may initially be issued to a Depository for use in a book entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City. Note service charges on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the

Depository or its authorized representative upon presentation and surrender of Notes as provided in this ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

If requested, the Mayor, Director of Finance, Clerk of Council, or any other officer of this Council, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, the letter agreement among the City, the paying agent for the Notes and The Depository Trust Company, as depository, to be delivered in connection with the issuance of the Notes to the Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the City and the Note Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver bond certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

Section 12. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Director of Finance, or any other officer of the City, including the Mayor, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of

Finance, which action shall be in writing and signed by the Director of Finance, or any other officer of the City, including the Mayor, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with sections 141 through 150 of the Code and the Regulations.

The Director of Finance shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Director of Finance of the City is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

Section 13. Appointment of Bond Counsel. The Director of Finance, on behalf of this Council, is hereby authorized to appoint the law firm of Bricker & Eckler LLP to serve as bond counsel for the Notes. The fees to be paid to such firm shall be subject to review and approval of the Director of Finance, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Notes.

Section 14. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Clerk of Council and a non-litigation certificate of the Mayor and the Director of Finance, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Director of Finance is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this ordinance, as they in their discretion shall deem necessary or appropriate.

Section 15. Satisfaction of Conditions for Note Issuance. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 16. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in

an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 17. Filing of Bond Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Fiscal Officer of Cuyahoga County, Ohio.

Section 18. Emergency Measure. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public property, health and safety, and to provide for the usual daily operations of municipal departments, and for the further reason that this ordinance is required to be immediately effective in order to issue and sell the Notes to enable the City to combine the Notes with other notes to be issued by the City into a consolidated note issue and obtain savings in the issuance of the Notes; and provided it receives the affirmative vote of at least five of this Council, this ordinance shall take effect and be in force at the earliest date possible as set forth in Article III, Sections 10 and 13 of the Charter.

Adopted: _____, 2015

President of Council

Clerk of Council

Approved: _____, 2015

Mayor

CERTIFICATE OF ESTIMATED LIFE AND MAXIMUM MATURITY

To: The City Council of the
City of Lakewood, Ohio

The undersigned Director of Finance of the City of Lakewood, Ohio as the fiscal officer of said City, hereby certifies as follows:

1. The estimated life of the improvements described as follows (the "Improvements") exceeds five years:

To pay the costs of replacing or improving the roofs of City Hall, City Hall Annex, Winterhurst Ice Rink and the City's service garage

2. The maximum maturity of the bonds proposed to be issued to pay the cost of the Improvements, calculated in accordance with Section 133.20, Ohio Revised Code, is 11 years, provided that if notes are issued in anticipation of the issuance of such bonds, the maximum maturity of such notes is 16 years.

Dated: February 17, 2015

Director of Finance
City of Lakewood, Ohio



KEVIN M. BUTLER
DIRECTOR OF LAW

PAMELA L. ROESSNER
CHIEF PROSECUTOR

JENNIFER L. MLADEK
CHIEF ASSISTANT
LAW DIRECTOR

ASHLEY L. BELZER
ASSISTANT PROSECUTOR/
ASSISTANT LAW DIRECTOR

**LAW DEPARTMENT
OFFICE OF PROSECUTION**

12650 Detroit Avenue, Lakewood, Ohio 44107
(216) 529-6030 | Fax (216) 228-2514
www.one.lakewood.com
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Direct dial: (216) 529-6034
kevin.butler@lakewoodoh.net

February 17, 2015

Lakewood City Council
12650 Detroit Avenue
Lakewood, Ohio 44107

Re: Updates to Chapter 145, Keep Lakewood Beautiful Board

Dear Members of Council:

We have been asked by one of our citizen-staffed groups, the Keep Lakewood Beautiful Board, to prepare amendments to the chapter of our codified ordinances governing the board's membership and activities. The amendments are designed to reflect the board's current practices as they have evolved since Keep Lakewood Beautiful's founding (with primarily a focus on litter control) in 1982.

Please refer the legislation to an appropriate committee for further discussion with the Keep Lakewood Beautiful Board.

Very truly yours,

Kevin M. Butler

ORDINANCE NO.

BY:

AN ORDINANCE amending Chapter 145, Keep Lakewood Beautiful Board, of the Codified Ordinances of the City of Lakewood, in order to update the code regulating the composition and duties of this board.

WHEREAS, the Keep Lakewood Beautiful Board was initially created in September 1982 to promote civic involvement through public interest in the general improvement of the environment of Lakewood; and maintains an affiliation with Keep America Beautiful; and

WHEREAS, Chapter 145 of the Code stands to be updated to modernize the composition and duties of the Keep Lakewood Beautiful Board; and

WHEREAS, pursuant to the Constitution of the State of Ohio and the Ohio Revised Code, municipalities have the power of local self-government; and

WHEREAS, pursuant to the Constitution of the State of Ohio and the Ohio Revised Code, municipalities have the power to enact laws that are for the health, safety, welfare, comfort and peace of the citizens of the municipality; now, therefore

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. Chapter 145, Keep Lakewood Beautiful Board, of the Lakewood Codified Ordinances, currently reading as follows:

**CHAPTER 145
KEEP LAKEWOOD BEAUTIFUL BOARD**

145.01 CREATION.

The Keep Lakewood Beautiful Board is hereby created for the purpose of assisting Council and the Mayor in establishing a City-wide policy for decreasing the amount of loose refuse in the City.

145.02 DUTIES.

The duties of the Keep Lakewood Beautiful Board shall be:

- (a) To promote public interest in the general improvement of the environment of the City;
- (b) To initiate, plan, direct and coordinate programs for litter control for the community on a sustainable basis;

- (c) To implement and maintain the Clean Community System;
- (d) To study, investigate and develop plans for improving the health, sanitation, safety and cleanliness of the City by beautifying public and private areas in the City;
- (e) To aid in the prevention of fires, diseases and other casualties by the removal and elimination of trash and other debris from public and private areas;
- (f) To encourage the placing, planting and/or preservation of trees, flowers, plants, shrubbery, and other objects of ornamentation in the City;
- (g) To protect wildlife;
- (h) To advise and recommend plans to other agencies of the City for the beautification of the City; and
- (i) Otherwise to promote public interest in the general improvement of the environment of the City.
- (j) To submit an annual report of activities to Council within a manner to be determined by the Board.

Nothing contained herein, however, shall be construed to abridge or change the powers and duties of other commissions, departments, boards and like agencies of the City; and provided further that any project or undertaking begun by the Board shall be terminated at any time upon the decision of either the Mayor or Council that the continuance thereof is not in the public interest.

145.03 AUTHORITY.

In order to perform the foregoing duties, the Keep Lakewood Beautiful Board shall have the following authority:

- (a) To adopt by-laws to facilitate the attainment of its purpose and function;
- (b) To initiate, plan, direct and coordinate communitywide efforts to achieve its goals;
- (c) To solicit and accept donations and appropriations of money, services, products, property and facilities for expenditure and use by the Board for the accomplishment of its objects; and
- (d) To make recommendations to Council and the Mayor as well as to the private sector regarding measures which it deems necessary to accomplish its objects.

145.04 MEMBERSHIP.

- (a) The Keep Lakewood Beautiful Board provided for herein shall be composed of fifteen residents of the City of Lakewood. Members

shall be nominated by the Board and approved by Council and the Mayor. In addition, all members of Council and the Mayor shall be nonvoting ex-officio members of the Board. The Mayor shall appoint one member of the administrative staff of the City of Lakewood who shall serve as Secretary to the Board. The Mayoral appointment is not required to be a resident of the City of Lakewood and shall serve until his or her replacement is appointed.

- (b) With the exception of the Municipal representatives, members of the Board will be appointed to a four year term with no limit on the number of terms that a member may serve.

145.05 PROCEDURE.

- (a) Fifty percent (50%) plus one of the current Keep Lakewood Beautiful Board members shall constitute a quorum for the conduct of business. The members of the Board shall regularly attend meetings and public hearings of the Board and shall serve without compensation.
- (b) The Board shall hold an organization meeting in December of each year and shall elect a Chairman and Vice-Chairman from among its members before proceeding to any other matters of business. The Board shall meet regularly and shall designate the time and place of its meetings.
- (c) The Board shall adopt its own rules of procedure and keep a record of its proceedings. Newly appointed members shall be installed at the first regular meeting after their appointment.
- (d) In order to accomplish its responsibilities, the Board shall establish sub-committees including, but not limited to, the areas of business and industry, communications, neighborhood associations, community organizations, municipal operations, and schools. Each sub-committee shall be chaired by a Board member with an unspecified number of community volunteers chosen by the Board as working sub-committee staff.

shall be and hereby is repealed, and new Chapter 145, Keep Lakewood Beautiful Board, of the Lakewood Codified Ordinances is enacted to read as follows:

CHAPTER 145 KEEP LAKEWOOD BEAUTIFUL BOARD

145.01 CREATION

The Keep Lakewood Beautiful Board is hereby created for the purpose of initiating, planning and coordinating programs for litter prevention, solid waste reduction, recycling and green space beautification. The board shall engage in new programming and welcome new volunteers.

145.02 DUTIES.

The duties of the Keep Lakewood Beautiful Board shall be:

- (a) To promote civic involvement in the general improvement of the environment of the City;
- (b) To enhance the beauty of Lakewood through green space activity;
- (c) To promote litter awareness and prevention;
- (d) To promote recycling;
- (e) To encourage individual education and investment in the overall environment of the City;
- (f) To advise and recommend plans to other agencies of the City for the beautification of the City; and
- (g) To submit an annual report of activities to Council within a manner to be determined by the board.

Nothing contained herein, however, shall be construed to abridge or change the powers and duties of other commissions, departments, boards and like agencies of the City; and provided further that any project or undertaking begun by the board shall be terminated at any time upon the decision of either the Mayor or Council that the continuance thereof is not in the public interest.

145.03 AUTHORITY.

In order to perform the foregoing duties, the Keep Lakewood Beautiful Board shall have the following authority:

- (a) To adopt bylaws to facilitate the attainment of its purpose and function;
- (b) To initiate, plan, direct and coordinate communitywide efforts to achieve its goals;
- (c) To solicit and accept donations and appropriations of money, services, products, property and facilities for expenditure and use by the board for the accomplishment of its objects; and
- (d) To make recommendations to Council, the Mayor and the private sector regarding measures which it deems necessary to accomplish its objectives.

145.04 MEMBERSHIP.

- (a) The Keep Lakewood Beautiful Board provided for herein shall be composed of a minimum of 10 members. Members shall be nominated by the board and approved by Council and the Mayor. In addition, all members of Council and the Mayor shall be nonvoting ex-officio members of the board. The Mayor shall appoint one member of the administrative staff of the City who shall serve as the secretary to the board. The mayoral appointee shall serve until his or her replacement is appointed.

- (b) With the exception of the municipal representatives, members of the Board will be appointed to a four-year term with no limit on the number of terms that a member may serve.

145.05 PROCEDURE

- (a) Fifty percent plus one of the current Keep Lakewood Beautiful Board members shall constitute a quorum for the conduct of business. The members of the board shall regularly attend meetings and public hearings of the board and serve without compensation.
- (b) The board shall elect a chairperson and vice-chairperson from among its members before proceeding to any other matters of business during the January meeting. The board shall meet regularly and shall designate the time and place of its meetings.
- (c) The board shall adopt its own rules of procedure and keep a record of its proceedings. Newly appointed members shall be installed at the first regular meeting after their appointment.
- (d) In order to accomplish its responsibilities, the board may establish subcommittees made up of an unspecified number of community volunteers. A board member must chair each subcommittee.

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance

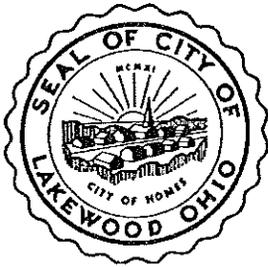
Adopted: _____

PRESIDENT

CLERK

Approved: _____

MAYOR



**LAW DEPARTMENT
OFFICE OF PROSECUTION**

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KEVIN M. BUTLER
DIRECTOR OF LAW

PAMELA L. ROESSNER
CHIEF PROSECUTOR

JENNIFER L. MLADEK
CHIEF ASSISTANT
LAW DIRECTOR

ASHLEY L. BELZER
ASSISTANT PROSECUTOR/
ASSISTANT LAW DIRECTOR

February 17, 2015

Lakewood City Council
12650 Detroit Avenue
Lakewood, Ohio 44107

Re: Formalization of western Lakewood clean water pilot program

Dear Members of Council:

On behalf of Mayor Summers, Public Works Director Beno and Finance Director Pae, I submit for your consideration a resolution that, if adopted, would formalize and provide contracting authority for the western Lakewood clean-water pilot project first announced to affected residents in February 2014 and continuing through today.

The pilot program, which will assist the city in further characterizing its sewer system, is part of the city's permitting obligations to both the Ohio EPA and U.S. EPA. It is intended to cover certain homes on Atkins Avenue, Eldred Avenue and Delaware Avenue south of Hilliard Road. The hallmark of the program, which provides city assistance to participating homeowners, is that it will assist the city in determining how corrections made to residents' century-old private-property sewer systems might impact the level of combined sewer overflows reaching Lake Erie and the Rocky River in wet weather.

Many details of the program may be found in the guide attached to the resolution, which follows this letter. We also plan to meet with the residents of the pilot-project neighborhood on **Tuesday, March 3, 2015, at 7 p.m.** in the Harding Middle School cafetorium, 16601 Madison Ave., and your attendance is certainly welcome.

Meanwhile, please refer the legislation to an appropriate committee for further discussion.

Very truly yours,

Kevin M. Butler

RESOLUTION NO.

BY:

A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least five members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, establishing a pilot program in western Lakewood to remove clean water sources from the City's sanitary sewer system in the furtherance of the City's permitting under the Ohio Environmental Protection Agency; authorizing the Mayor (Director of Public Safety), the Director of Public Works, the Director of Law, the Director of Finance and/or the Purchasing Manager to enter into contracts for professional services for the pilot program, and to advertise for bids and enter into contracts for the purchase of repair, maintenance and operating supplies, services and equipment for the pilot program as authorized by the Administrative Code of the City of Lakewood with the lowest and best bidder or bidders or as otherwise provided by law in an amount not to exceed \$900,000.00; declaring a nuisance; and identifying resident payment options under the pilot program.

WHEREAS, the City of Lakewood was issued a renewal of the Ohio Environmental Protection Agency (Ohio EPA) NPDES Permit dated September 1, 2014 that requires the development of a plan to reduce and eliminate sewage discharges to the environment; and

WHEREAS, to timely meet its legal requirements, the City is undertaking a pilot study to remove clean water sources from the City's sanitary sewer system as one of the measures critical to the evaluation and development of an integrated plan; and

WHEREAS, the City strategically chose specific properties within the area bordered by Hilliard Road, Atkins Avenue, Eldred Avenue and Delaware Avenue in western Lakewood to undertake the pilot study; and

WHEREAS, the City of Lakewood, in order to properly evaluate the effectiveness of removing clean water sources on private property within the compliance schedule contained in the Ohio EPA NPDES Permit conditions, has determined the use of public funds, partially to be reimbursed to the City by the pilot project participants, to be in the best interests of the public; and

WHEREAS, Chapter 913 of the Codified Ordinances prohibits persons from discharging sewage, industrial waste or other waste into the City's wastewater disposal system contrary to the provisions of that chapter, federal or state pretreatment requirements, or any order of Council; and

WHEREAS, Chapter 913 of the Code prohibits persons from discharging or causing to be discharged any storm water, surface water, groundwater, roof runoff, subsurface drainage, un-contaminated cooling water or unpolluted industrial process waters to any sanitary sewer, and contemplates that doing so constitutes a public nuisance; and

WHEREAS, this Council desires to provide the authorization to the Mayor (Director of Public Safety), the Director of Public Works, the Director of Law, the Director of Finance, and/or the Purchasing Manager to enter into contracts for professional services for the pilot program, and to advertise for bids and enter into contracts for the purchase of repair, maintenance and operating supplies, services and equipment for the pilot program as authorized by the Administrative Code of the City of Lakewood with the lowest and best bidder or bidders or as otherwise provided by law in an amount not to exceed \$900,000.00; and

WHEREAS, the City of Lakewood makes this determination solely and expressly for the aforementioned purpose and only for this specific pilot study area; and

WHEREAS, the City of Lakewood has determined it is in the best interest of the public; to protect the public health and welfare, that it is necessary to fund the correction and rehabilitation necessary on private property in the pilot study area as a critical and key element to the proper development of a comprehensive plan to reduce and eliminate sewage discharges to the environment; and

WHEREAS, pursuant to the Constitution of the State of Ohio and the Ohio Revised Code, municipalities have the power of local self-government, and the power to enact laws that are for the health, safety, welfare; and

WHEREAS, this Council by a vote of at least five of its members determines that this resolution is an emergency measure and that it shall take effect immediately, as set forth in Article III, Sections 10 and 13 of the Second Amended Charter of the City of Lakewood, and that it is necessary for the immediate preservation of the public property, health, and safety and to provide for the usual daily operation of municipal departments, in that the City must proceed to investigate and correct improper inflow and infiltration of stormwater into the sanitary system under the Ohio EPA NPDES permit immediately; now, therefore

BE IT RESOLVED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. The City hereby establishes a pilot project in western Lakewood, within the area bounded by Hilliard Road to the north, Atkins Avenue to the west, Eldred Avenue to the east and Delaware Avenue to the south, to remove clean water sources from the City's sanitary sewer system in the furtherance of the City's permitting under the Ohio EPA, substantially under the conditions and specifications identified in the pilot project program guide attached hereto as **Exhibit A**.

Section 2. The Mayor (Director of Public Safety), the Director of Public Works, the Director of Law, the Director of Finance, and/or the Purchasing Manager be and are hereby authorized and directed to enter into contracts for professional services for the pilot program, and to advertise for bids and enter into contracts for the purchase of repair, maintenance and operating supplies, services and equipment for the pilot program as authorized by the Administrative Code of the City of Lakewood with the lowest and best bidder or bidders or as otherwise provided by law in an amount not to exceed \$900,000.00.

Section 3. Within the pilot program area, any discharge of sewage, industrial waste or other waste into the City's wastewater disposal system contrary to the provisions Chapter 913, federal or state pretreatment requirements, or any order of Council; and any discharge or the causing of any discharge of any storm water, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water or unpolluted industrial process waters to any sanitary sewer constitute and are hereby declared to be public nuisances.

Section 4. Owners of property included within the pilot program are required to participate in the program in accordance with the authority granted to the City, and under penalty imposed by, Chapters 901, 913 and 917 of the Codified Ordinances and all applicable code. Owners shall have the option to test and correct their sewer connections at their own expense using their own contractors, subject to the City's approval and inspection, and in accordance with the terms of the program, but in any event not later than December 1, 2015. For those corrections undertaken on private property by the City, the City is expected initially to bear the full cost of the corrections, and participants must repay the City 10 percent of such costs. The Director of Finance is authorized and directed to establish payment options available to those property owners who participate in order to lessen the financial impact of the corrections upon owners.

Section 5. The pilot program established in this resolution shall not cease except upon further action by Council.

Section 6. It is found and determined that all formal actions of this Council concerning and relating to the passage of this resolution were adopted in an open meeting of this Council and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 7. This resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare in the City and for the usual daily operation of the City for the reasons set forth and defined in its preamble, and provided it receives the affirmative vote of at least five members of Council this resolution shall take effect and be in force immediately, or otherwise shall take effect and be in force after the earliest period allowed by law.

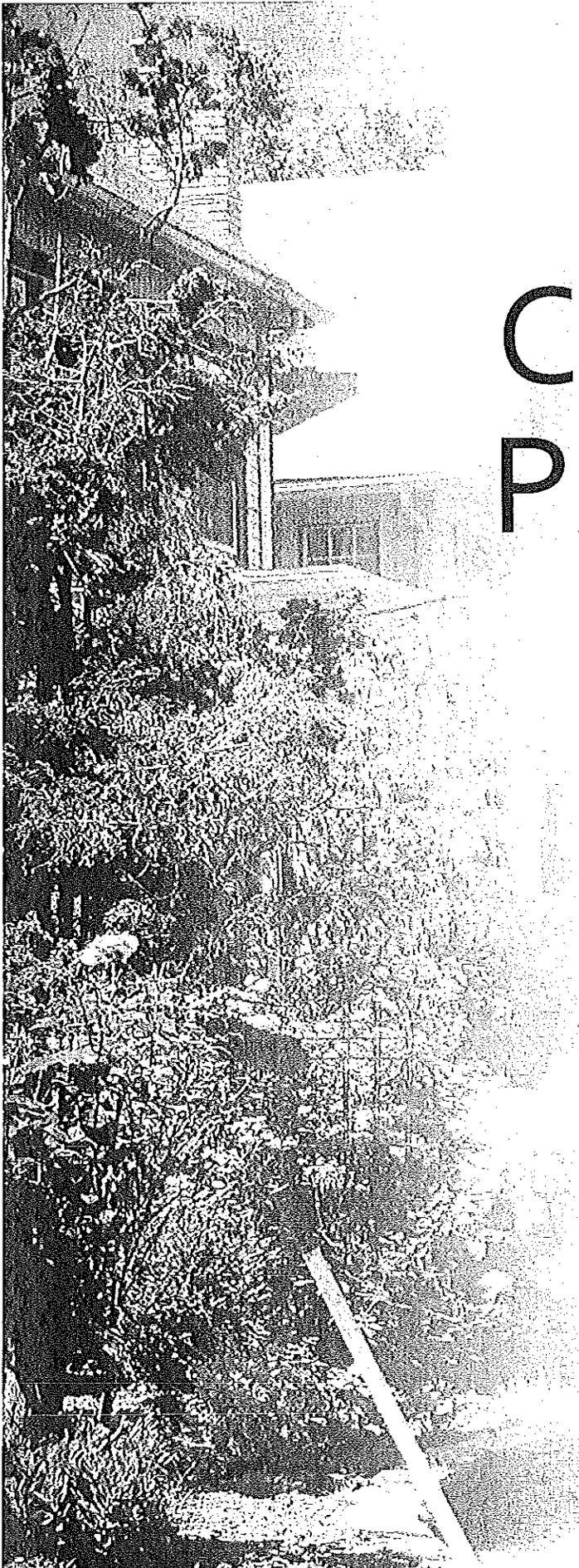
Adopted: _____

President

Clerk

Approved: _____

Mayor



Clean Water Pilot Project

Program Guide

City of Lakewood
www.onelakewood.com





City of Lakewood Clean Water Pilot Project

Program Guide

A. **Pilot Project Area.** The pilot project area will be bordered by Hilliard Road to the north, Atkins Avenue to the west, Eldred Avenue to the east and Delaware Avenue to the south, and will include the following residential properties:

Parcel No.	Address	Street
313-11-018	2122	Atkins Ave.
313-12-044	2123	Atkins Ave.
313-11-019	2124	Atkins Ave.
313-12-043	2127	Atkins Ave.
313-11-020	2128	Atkins Ave.
313-12-042	2131	Atkins Ave.
313-11-021	2132	Atkins Ave.
313-11-022	2134	Atkins Ave.
313-12-041	2135	Atkins Ave.
313-13-001	2139	Atkins Ave.
313-11-023	2140-42	Atkins Ave.
313-13-002	2143-45	Atkins Ave.
313-11-024	2144	Atkins Ave.
313-13-003	2147-49	Atkins Ave.
313-11-025	2148	Atkins Ave.
313-13-004	2151-53	Atkins Ave.
313-11-026	2152	Atkins Ave.
313-13-005	2155-57	Atkins Ave.
313-11-027	2156	Atkins Ave.
313-11-029	2160	Atkins Ave.
313-13-006	2159-61	Atkins Ave.
313-11-030	2162	Atkins Ave.
313-13-007	2163-65	Atkins Ave.
313-11-031	2166	Atkins Ave.
313-13-008	2167	Atkins Ave.
313-11-032	2170	Atkins Ave.
313-13-009	2171-73	Atkins Ave.
313-13-010	2175	Atkins Ave.

Parcel No.	Address	Street
313-11-033	2176	Atkins Ave.
313-11-034	2178	Atkins Ave.
313-13-011	2179-81	Atkins Ave.
313-11-035	2180	Atkins Ave.
313-13-012	2183	Atkins Ave.
313-11-036	2184-86	Atkins Ave.
313-13-013	2185-87	Atkins Ave.
313-11-037	2188-90	Atkins Ave.
313-13-014	2191	Atkins Ave.
313-11-038	2192	Atkins Ave.
313-13-015	2193	Atkins Ave.
313-11-039	2196-98	Atkins Ave.
313-13-016	2197-99	Atkins Ave.
313-11-040	2200	Atkins Ave.
313-13-017	2203	Atkins Ave.
313-11-041	2204	Atkins Ave.
313-13-018	2205-07	Atkins Ave.
313-11-042	2208-10	Atkins Ave.
313-13-019	2209-11	Atkins Ave.
313-11-043	2212	Atkins Ave.
313-11-044	2214-16	Atkins Ave.
313-13-020	2215	Atkins Ave.
313-13-021	2217-19	Atkins Ave.
313-11-045	2218-20	Atkins Ave.
313-13-022	2221	Atkins Ave.
313-13-074	16611-13	Delaware Ave.
313-13-075	16615-17	Delaware Ave.
313-13-076	16619-21	Delaware Ave.

Parcel No.	Address	Street
313-13-077	16701-03	Delaware Ave.
313-13-025	16706	Delaware Ave.
313-13-078	16707	Delaware Ave.
313-13-024	16708	Delaware Ave.
313-13-079	16711	Delaware Ave.
313-13-023	16712-14	Delaware Ave.
313-11-046	16800	Delaware Ave.
313-11-047	16802-04	Delaware Ave.
313-11-048	16806-08	Delaware Ave.
313-11-049	16810-12	Delaware Ave.
313-11-050	16900-02	Delaware Ave.
313-11-051	16906-08	Delaware Ave.
313-11-052	16914	Delaware Ave.
313-11-053	17002	Delaware Ave.
313-13-042	2178	Eldred Ave.
313-13-055	2183	Eldred Ave.
313-13-041	2184-86	Eldred Ave.
313-13-056	2187	Eldred Ave.
313-13-040	2188-90	Eldred Ave.
313-13-057	2191	Eldred Ave.
313-13-058	2193-95	Eldred Ave.
313-13-039	2194-96	Eldred Ave.
313-13-038	2198-2200	Eldred Ave.

Parcel No.	Address	Street
313-13-059	2199-2201	Eldred Ave.
313-13-037	2202-04	Eldred Ave.
313-13-060	2203-05	Eldred Ave.
313-13-036	2206-08	Eldred Ave.
313-13-061	2207-09	Eldred Ave.
313-13-035	2210	Eldred Ave.
313-13-062	2211	Eldred Ave.
313-13-063	2215	Eldred Ave.
313-13-034	2216	Eldred Ave.
313-13-033	2220-22	Eldred Ave.
313-13-064	2221	Eldred Ave.
313-13-065	2223	Eldred Ave.
313-13-032	2224-26	Eldred Ave.
313-13-031	2230	Eldred Ave.
313-13-066	2231	Eldred Ave.
313-13-030	2233-35	Eldred Ave.
313-13-029	2234	Eldred Ave.
313-13-068	2238	Eldred Ave.
313-13-028	2239	Eldred Ave.
313-13-069	2242-44	Eldred Ave.
313-13-070	2245	Eldred Ave.
313-13-026	2249	Eldred Ave.
313-13-067	2250	Eldred Ave.

If your property is not listed above, you are not a part of the pilot project, although work may be occurring near your property and at your neighbors' property.

This area was chosen because it features a unique situation where all houses flow into a single point (the sewer interceptor by Harding Middle School); the homes were built in the same time period and are of similar design; we have very good data of the current state of sewer flows during dry and wet weather; and we can measure before and after flow volumes in a variety of dry weather and wet (storm) weather conditions.

B. Rationale. The rationale for the pilot project is as follows:

- The city's sewer system is plagued with significant inflow and infiltration, complicated by a complex network of separate and combined sewers. This results in sewage overflows to the Rocky River and Lake Erie.

- Lakewood recently entered into an administrative consent order with the U.S. EPA that stipulates the city eliminate all sanitary sewer overflows and basement backups.

- Lakewood recently was issued a renewal of its Ohio EPA NPDES permit dated September 1, 2014 that requires the development of a plan to reduce and eliminate sewage discharges to the environment.

- The majority of rainfall that enters the sanitary sewer system comes from sources on private property. These sources must be systematically removed. Each source is a small portion

of the enormous volume of water that enters the system, so it will take time before the removal of each source will produce a noticeable effect.

- Rain water enters the public sanitary sewer due to the age of the overall system and development in the city. The city needs to find and eliminate as many sources of rain water in its sanitary sewer system as possible.

- The city's sanitary sewers are properly sized for conveying sewage during dry weather. It is only during significant rainfall events that the sanitary and/or combined sewers become overloaded.

- Financing for rehabilitation and corrections on private property is worth analyzing. Costs often exceed normal expectations of what homeowners can absorb.

C. Goals of the Program. The goals of the pilot project are as follows:

- to improve water quality and achieve compliance with the federal Clean Water Act and Ohio law;

- to reduce the volume of surface and subsurface water entering the city's sanitary sewer system;

- to reduce overflows into the Rocky River and Lake Erie;

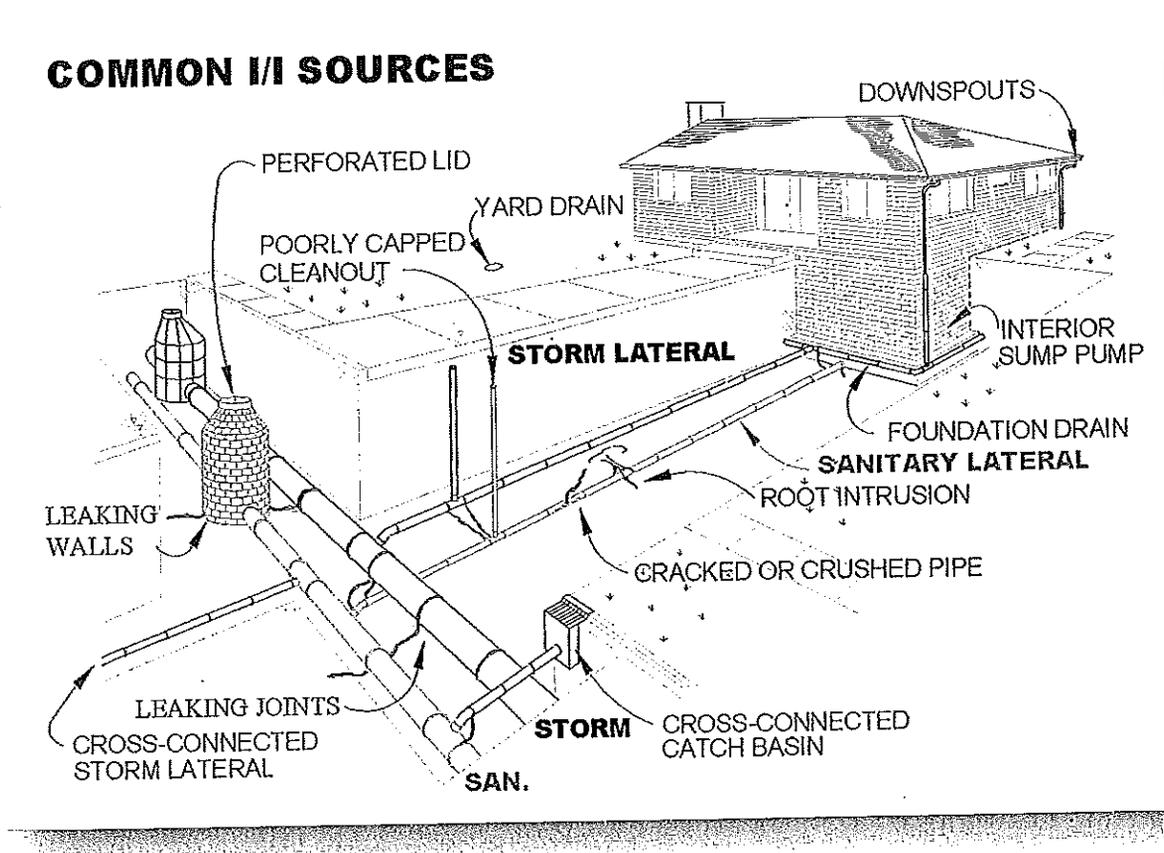
- to reduce the occurrence of basement flooding; and

- to develop a source-control program that considers the financial impact on the residents and technical effectiveness as the city looks toward future citywide programs, corrections and compliance initiatives.

D. Authority for the Program. The city is operating under the resolution establishing the pilot program in 2015. Under Chapters 901, 913 and 917 of the Codified Ordinances, the city may inspect, sample, test and order correction of all instances of improper sewer connections from private property to the city's sewer system, and the infiltration of storm water into the sanitary sewers on private property. The city may also require that all storm water goes from homes to the storm system, and all sanitary water goes from homes to the sanitary system. The pilot program will permit the city and homeowners to make necessary corrections on private property without having to impose some of the more difficult penalty provisions, such as injunctive relief, prosecution and the like, upon affected homeowners.

E. Scope of the Program. The city has engaged its own employees and contractors to conduct physical inspection and testing of sewer connections on properties included in the pilot program. They will access each basement and yard after arranging a time with you. They will attempt to video existing conditions in the pipes leading to and from your home. They will inventory all sewer connections, identify design options for the correction of any violations, and arrange for and conduct corrections of those violations. Some common inflow and infiltration sources to be addressed in the pilot program are illustrated in the following diagram:

COMMON I/I SOURCES



The correction work includes activities that are directly attributable to the removal of clean water sources to the sanitary sewers and may include removal of dirty water to storm sewers. *Examples of correction work* may include installation of:

- a sump pump receptacle (sometimes referred to as a crock) to act as a storage well for water from the foundation (footer) drain;
- a sump pump or ejector pump in sumps or crocks located in the basement or exterior of the house;
- a water-pressure-driven backup sump pump or battery powered backup sump pump;
- downspout diverters or splash pads;
- sanitary and storm lateral pipes to replace existing pipes or to reconnect clean water sources to the storm sewer;
- liners in existing pipes to stop leaking into the pipe;
- upgrades to the house electrical system to support installation of pumps including wiring of a receptacle for the sump pump;
- revisions to the house plumbing system to support installation of a sump pump including installation of new sump-pump discharge piping;

- hangers, braces, supports, staples and other systems for routing and securing plumbing and electrical systems;
- redirecting floor drains to sanitary connection; and/or
- other corrections required to properly complete the project performed at the discretion of the city.

Corrections may require:

- open trenching or where feasible, trenchless construction methods;
- exterior excavation around selected portions of the house foundation;
- cutting and removal of concrete basement slabs and any associated floor covering;
- cutting and removal of sidewalks, driveways, patios, and other exterior hard surfaces;
- removal of plant materials and salvaging (where feasible) or replacing same with like plant materials;
- temporary alterations to irrigation systems;
- drilling, cutting or otherwise creating openings for electrical and plumbing work;
- cutting and repair of exterior foundation walls to allow redirection of foundation (footer) drains to the sump pump receptacle, and redirection of lateral sewer lines;
- localized water proofing of new exterior foundation walls;
- surveying, isolating and removing asbestos containing floor covering or insulation if there is the potential for creating air born asbestos fibers;
- air quality testing; and/or
- other appropriate industry standard methods of construction required to properly complete the project performed at the discretion of the city.

Corrections will not include improving any system, surface, structure, object, or facility not necessary to remove sources of clean water from the sanitary sewer system including:

- waterproofing old construction;
- replacing floor coverings other than those directly disturbed by construction;
- wall coatings and/or paint other than required to attempt to match new work with old construction;
- upgrading facilities not associated with the intent of the program;
- replacing dead, diseased or dangerously rotted plant material; or
- any activity considered purely decorative.

If your property is within the original pilot-study area and you have already made, at your expense, corrections to your sewer system after notice of the pilot study was provided in February 2014, the city may consider, on a case-by-case basis depending on a number of factors, awarding a credit against your water and sewer charges. This would be determined after the city has had an opportunity to determine a scope of work at your property.

F. Ownership of Corrections. When work is completed, you will own all property, devices and materials used to correct problems. Any general or specific warranties or other benefits owned by the city will be transferred, to the extent possible, to you. You will be responsible for future operation and maintenance including but not limited to all necessary electrical and power supply costs. The city will not be responsible for the corrections or any property, devices and materials used for the corrections. The payment of financial assistance by the city under this program shall not be deemed to give rise to any liability on the part of the city for work performed by a contractor or any other person.

G. Payment for Corrections; Financing. Once the evaluations are complete, and scope of work per property is determined, the following is the city's financial participation in the corrections to be made on your property:

- The city will provide you, as the homeowner, notice of the cost of correction with an itemized list of the corrections to be made. The notice will be made either by certified mail or residence service at the affected property. You can opt in and use the city's contractor for the corrections to be made after the notice is made. You will have 30 days to opt in, on a form approved by the city, after receipt of the notice.

- *If you opt in*, the city will pay for 100 percent for initial property correction at your home. It is estimated the total cost of correction at most parcels will not exceed \$7,500. Work at some homes may cost much less; work at others may cost much more.

- If you opt in, you will be responsible to repay the city just 10 percent of the cost of any correction per parcel. You will have the opportunity to set up a payment plan for no more than 10 years at 0 percent interest. Amounts due under the payment plan will be added to your water and sewer bill. Your failure to make a scheduled payment will result in the balance being assessed to your property tax bill. The city may consider, on a case-by-case basis depending on a number of factors, awarding a full or partial credit for any repayment obligation or against your water and sewer charges based upon sewer corrections you may have already made, at your expense, after notice of this pilot study was provided in February 2014.

- If you contest the necessity of the corrections contemplated by the city, you will have 30 days from the date you receive notice within which to appeal to the city's Board of Building Standards and Building Appeals. Applications for appeals to the board cost \$25 and must be submitted with the city's Division of Housing and Building and the board will hear your appeal in accordance with Article XIV of the city's charter and any applicable rules and regulations.

- *If you fail to opt in* within 30 days of receiving notice of the corrections, you must begin to correct the identified sewer connection issues within 90 days, failing which the city may enforce the penalty provisions of Chapters 901, 913 and 917 of the Codified Ordinances or take

other actions allowable by any applicable code. All necessary permits must be pulled for such work and you must bear the full expense of the corrections. If you fail to opt in, you must complete the work undertaken be completed by December 1, 2015, failing which the city may enforce the penalty provisions of Chapters 901, 913 and 917 of the Codified Ordinances or take other actions allowable by any applicable code, including abating the nuisance conditions on your property and assessing the cost to the property.

H. Conditions of Financial Assistance. Any sanitary sewer customer participating in this program must be the owner of the property, and as a condition to receiving the assistance, you must agree on the opt-in form to the following:

- **Inspection.** The city, on reasonable notice, may inspect the corrections at any time.
- **Maintenance and Repair.** You will operate and maintain the corrections and timely complete any repairs or replacement of the corrections.
- **Discharge Modifications Prohibited.** You will not modify the sump pump discharge (if applicable) in any manner that would directly or indirectly contribute foundation drain flow and clear water flow to the sanitary sewer system.
- **Agreement Runs with the Land.** You will agree that these conditions run with the property and may be recorded by the city; and that the city may maintain a record or database of properties governed by the agreement.

I. After the Project is Completed. Without written permission of the city, you will not be permitted to alter the plumbing or connection to the sanitary sewer system after the corrections are made, subject to the penalty provisions found within Chapters 901, 913 and 917 of the Codified Ordinances or other applicable law. If the city determines after the project is completed there is a modification of the system that permits clean water to enter the sanitary sewer, or a failure to maintain or replace a failed sump pump or other equipment that would allow an indirect or direct connection to the sanitary sewer system, or such other cause may allow a direct or indirect connection, the city may require further corrections by the property owner.

J. Contact Information. For more information, please contact the city's Division of Engineering at (216) 529-6692 or engineering@lakewoodoh.net.