

RESOLUTION NO. 23-09

TOWNSHIP OF COLERAIN, OHIO

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$500,000 TAX INCREMENT REVENUE RENEWAL NOTES OF THE TOWNSHIP OF COLERAIN; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH NOTES; AUTHORIZING A TRUST AGREEMENT SECURING SUCH NOTES; AUTHORIZING NECESSARY AND APPROPRIATE DOCUMENTS; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH NOTES.

WHEREAS, Sections 5709.73 - 5709.75 of the Ohio Revised Code authorize the issuance by townships of tax increment notes to pay the costs of constructing public improvements, as therein defined; and

WHEREAS, the Township has determined to undertake a public improvement project consisting of the acquisition and construction of infrastructure improvements including acquisition and construction of street improvements, storm water improvements, walking trails, retaining walls and other related improvements, defined and described hereinafter as the "Project"; and

WHEREAS, as security for the Notes the Township has entered into a Service Agreement (the Service Agreement") with Colerain and Haverkos L.L.C, an Ohio Limited Liability Company (the "Developer") requiring the Developer to make service payments in lieu of taxes; and

WHEREAS, Notes previously issued and outstanding are about to mature and should be renewed in a like principal amount; and

WHEREAS, the Board of Township Trustees now desires to refinance the costs of the Project and expenditures incident thereto and incident to such financing by the issuance and sale of revenue Notes to be designated "Colerain Township, Ohio Tax Increment Revenue Notes (Best Buy Project), First (2009) Renewal", which Notes (hereinafter called the "Notes") are to be secured by this resolution; and

NOW THEREFORE, BE IT RESOLVED by the Board of Township Trustees of the Township of Colerain, County of Hamilton, Ohio that:

SECTION 1. Definitions All defined terms used herein and those not otherwise defined herein shall have the respective meanings given to them in the Service Agreement.

Any reference herein to the Township or the Board, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof," "hereby," "hereto," "hereunder," and similar terms, mean this Note Legislation.

SECTION 2. Authorization of Notes The Township hereby determines it to be necessary to issue, sell and deliver, pursuant to the authority of Sections 5709.73-5709.75 of the Ohio Revised Code, its revenue bonds for the purpose of providing permanent financing for the costs of the acquisition and construction of infrastructure improvements including acquisition and construction of street improvements, storm water improvements, walking trails, retaining walls and other improvements related to the above, and paying certain other costs, including costs of issuance, related thereto. Such bonds shall finally mature not later than the last day of December of the last year that Service Payments will be received. In anticipation of the issuance of such bonds, it is hereby determined to be necessary to issue, sell and deliver, and there are hereby authorized, as provided herein and pursuant to the authority of Sections 5709.73-5709.75 of the Ohio Revised Code, the Notes in the principal sum of not to exceed \$500,000 to refinance outstanding notes originally issued to provide interim financing for the same purpose. The Notes shall be designated "Tax Increment Revenue Notes (Best Buy Project), First (2009) Renewal".

SECTION 3. Terms and Execution of the Notes There are hereby authorized, and there shall be issued, Notes in the principal sum of not to exceed \$500,000, for the purposes aforesaid. Upon the face of each of the Notes shall be recited a reference to the Ohio Revised Code sections and the resolution under which issued. Each of the Notes shall express upon its face the purpose for which the same is issued; that the Notes are payable solely from the Service Payments in Lieu of Taxes and the Letter of Credit pursuant to and as defined in the Service Agreement by and between the Township and the Developer dated December 18, 2007 (the "Revenues"). The Township hereby pledges the Revenues as security and repayment for the Notes. The Notes are payable solely from the pledged Revenues, the Service Payments in Lieu of Taxes and the Letter of Credit pursuant to the Service Agreement, and the proceeds of any issue refunding the Notes, and from no other funds of the Township. The Notes are not secured by the full faith and credit of the Township. The Notes shall be issued as fully registered Notes, shall be numbered from 1 upward, shall be dated as of their date of issuance, and shall bear interest at a rate not exceeding five and one half per centum (5.50%) per annum as determined by the Township Administrator and set forth in the Certificate of Award which is hereby authorized and which shall be executed by the Township Administrator without further action of this Board, payable at maturity. Said Notes shall mature not more than one year from their dated date. The Notes shall be issued only in denominations, of \$5,000 or any integral multiple thereof.

The Notes shall not be subject to redemption prior to maturity.

The Notes shall be executed on behalf of the Township by the manual or facsimile signatures of at least two members of this Board and attested by the Township Fiscal Officer, so long as one officer signs manually. In case any officer whose signature or a facsimile thereof shall appear on the Notes shall cease to be such officer before the issuance or delivery of the Notes, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until after that time.

The principal amount of each Note shall be payable at the office of The Bank of New York Mellon Trust Company, N A or such other bank or trust company as is selected by the Fiscal Officer, which is hereby designated as the paying agent and registrar and trustee (the "Paying Agent and Registrar" or the "Trustee") for the Notes.

The Notes shall be transferable by the registered holder thereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent and Registrar upon presentation and surrender thereof to the Paying Agent and Registrar. The Township and the Paying Agent and Registrar shall not be required to transfer any Note during the 15-day period preceding the maturity date, and no such transfer shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon such transfer, a new Note or Notes of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Township and the Paying Agent and Registrar may deem and treat the registered holder of the Notes as the absolute owner thereof for all purposes, and neither the Township nor the Paying Agent and Registrar shall be affected by any notice to the contrary.

SECTION 4. Sale of the Notes The Notes are being sold to Fifth Third Securities, Inc (the "Original Purchaser") and are hereby awarded, at a purchase price to be agreed upon and set forth in the Purchase Contract which is hereby authorized and which shall be executed by the Administrator or Fiscal Officer without further action of this Board. The appropriate officers of the Township are authorized and directed to make on behalf of the Township the necessary arrangements to establish the date, location, procedure and conditions for the delivery of the Notes to the Original Purchaser, and to take all steps necessary to effect due execution and delivery to the Original Purchaser of the Notes (or temporary Notes delivered in lieu of definitive Notes until their preparation and delivery can be effectuated) under the terms of this Resolution.

SECTION 5. Proceeds of the Notes The proceeds of the sale of the Notes less the underwriting discount, shall be deposited with the Trustee and used as follows:

- (a) The amount as set forth in the Certificate of Award, to be used to pay all costs and items of expense incurred by the Township in connection with the issuance of the Notes, including without limitation costs of financial and/or feasibility studies and reports; costs of bond insurance or other credit

enhancement, including any letter of credit fees; costs of financial advisory, bond counsel and other legal, accounting and management services and services of other consultants and professional and related charges, fees and disbursements; Note rating fees; costs of issuance; printing and reproduction costs; filing and recording fees; initial fees and charges of the Paying Agent and Trustee; and costs of preparation, execution, transportation and safekeeping of the Notes. The Trustee shall transfer to the Note Account which is hereby established (to be used to pay interest on the Notes) any moneys not so used for cost of issuance expenses upon determination by the Fiscal Officer of the Township that all the costs described above have been received and paid by or on behalf of the Township.

(b) The remainder to the account hereby created and designated as the Note Retirement Account to be used to retire the Township's \$500,000 Tax Increment Revenue Notes, (Best Buy Project)

SECTION 6. Project Fund. The Project Account established by the Resolution authorizing the Township's \$500,000 Tax Increment Revenue Notes (Best Buy Project), and any funds therein shall be transferred to the Trustee and shall be held by the Trustee pursuant to this authorizing Resolution and shall be used only for the construction of the Project and/or to reimburse the Township for money it has advanced to acquire and/or construct the Project. The money in the Project Account shall be invested pursuant to Chapter 135 of the Ohio Revised Code maturing not later than it is needed to pay for the costs of the Project. Moneys in the Project Fund shall be disbursed upon receipt by the Township of invoices or other appropriate documentation, satisfactory to the Township, supporting the requested disbursement. The Township anticipates that the County of Hamilton, Ohio (the "County") will manage the construction of part of the Project and that the Township may requisition the certain amounts in the Project Fund, after payment of the cost of right of way acquisition, for the purposes of the portion of the Project to be constructed by the County Engineer. The Township covenants that it will proceed with due diligence in accordance with the terms of the Service Agreement to construct, or cause to be constructed, the Project, will complete such Project in an efficient and economical manner and at a reasonable cost, and will acquire or provide for any machinery, materials or equipment necessary or useful therefor. Upon completion of the Project, the Township shall deliver to the Trustee (1) a certificate of the Township's consulting engineer for the Project (the "Certificate of Completion") stating that the Project has been completed in accordance with the plans and specifications therefor approved by the Township and Hamilton County, Ohio, if applicable, and (2) a certificate of the Township Administrator on behalf of the Township stating (a) the total costs of the Project, (b) that the total costs of the Project have been fully paid or paid except for any amount specified in the certificate, and (c) the amount, if any, then remaining in the Project Fund. Investment earnings on moneys in the Project Fund shall be retained in the Project Fund and used to pay costs of the Project.

Amounts remaining in the Project Account upon or after completion of the Project shall be transferred to the Note Account

Any accrued interest or premium on the Notes shall be transferred to the Note Account and shall be applied only to the payment of the interest and principal of the Notes and for no other purpose.

SECTION 7. Revenues. From and after the date of issuance and delivery of the Notes the Service Payments shall be set aside and deposited by the Township in a special and separate fund designated as the "Best Buy Tax Increment Equivalent Fund". The Tax Increment Equivalent Fund shall be administered as follows with the following payments being made in the following order:

FIRSI: There shall be paid into the Note Account on the second business day immediately preceding the maturity date an amount equal to the principal and interest due on all outstanding Notes on the maturity date. To the extent that principal of and/or interest on the Notes has been paid from the proceeds of a drawing on the Letter of Credit, moneys in the Note Account may be used to reimburse the Letter of Credit Bank for draws upon the Letter of Credit pursuant to any Reimbursement Agreement. Moneys in the Note Account shall be used to pay principal, premium, if any, and interest on the Notes, on the scheduled maturity date;

SECOND: At the option of the Township, money in the Tax Increment Equivalent Fund may be used (i) to reimburse the Township, for all amounts it has advanced (if any) to make payments of principal and/or interest on Bonds; (ii) to reimburse the Township, for all amounts the Township has expended to pay the Township's economic development costs associated with this transaction up to a maximum of \$10,000; (iii) to reimburse the Township, for all amounts the Township has expended for unforeseen project costs associated with the Public Improvements (if any) until the Township has been fully reimbursed; (iv) to effect defeasance, purchase or redemption of the Bonds; or (v) to pay the cost of additional public improvements pursuant to Resolution No. 38-07;

THIRD: To the extent necessary, fees and/or renewal fees for renewal or replacement Letter of Credit may be paid for from the Tax Increment Equivalent Fund; and

FOURTH: As provided in the Service Agreement, money in the Tax Increment Equivalent Fund will be used to retire Notes pursuant to the Service Agreement.

The Note Account shall be maintained in the custody of the Trustee. The Note Account may be used for reimbursement to the Bank for draws upon the Letter of Credit, if any, or for the payment of the principal of and interest on the Notes and, to the extent provided in this resolution for the purchase and retirement of Notes

Any Notes purchased for cancellation shall be purchased at a price not exceeding their then prevailing call price, if any, nor exceeding their fair market value.

SECTION 8. Investment of Moneys. Moneys in the Tax Increment Equivalent Fund and the Note Account may be invested as provided in Chapter 135 of the Ohio Revised Code, maturing or redeemable by the holder not later than the times and to the extent such moneys are required for the purpose of paying interest payments or principal or sinking fund payments on the Notes. Moneys in the Project Account shall also be invested as provided in Chapter 135 of the Ohio Revised Code

SECTION 9. Arbitrage Provisions. The Township 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 Notes are delivered to the Original Purchaser, so that they will not constitute arbitrage Notes under Section 148 of the Code. The Township Fiscal Officer or any other officer having responsibility with respect to the issuance of the Notes, is authorized and directed to deliver a certificate for inclusion in the transcript of proceedings for the Notes, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 148 and regulations thereunder. In its performance of these covenants, and other covenants of the Township pertaining to federal income tax laws, the Township may rely upon the written advice of nationally recognized bond counsel which is provided to the Township.

These Notes are hereby designated "qualified tax-exempt obligations" for the purpose set forth in Section 265(b)(3) of the Code.

SECTION 10. Authorization of All Documents to be Executed by the Township. At least two members of the Issuing Authority are hereby authorized and directed to execute and deliver the Trust Agreement in substantially the form on file with the Township Fiscal Officer with such changes as are approved by those persons executing such agreements; the approval of such signers of such changes shall be conclusively evidenced by their execution of such agreements. In order to better secure the payment of the principal of, premium, if any, and interest on the Notes as the same shall become due and payable, any member of this Board or the Township Fiscal Officer are authorized and directed to take any and all actions and to execute such documents, financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams, LLP, as Note Counsel, in order to effect the issuance of the Notes and the intent of this Note Legislation with such changes therein not inconsistent with this Note Legislation and not substantially adverse to the Township as may be permitted by Sections 5709.73-5709.75 of the Ohio Revised Code and approved by the officers executing the same on behalf of the Township. The approval of such

changes by said officers, and that such are not substantially adverse to the Township, shall be conclusively evidenced by the execution of such documents by such officers

The Fiscal Officer of the Board, or other appropriate officer of the Township, shall certify a true transcript of all proceedings had with respect to the issuance of the Notes, along with such information from the records of the Township as is necessary to determine the regularity and validity of the issuance of the Notes.

SECTION 11. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Note Legislation, or in any Note, or under any judgment obtained against the Township or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Township, either directly or through the Township, or otherwise, for the payment for or to the Township or any receiver thereof, or for or to any holder of any Note, or otherwise, of any sum that may be due and unpaid by the Township upon any of the Notes. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Township or any receiver thereof, or for or to the owner or any holder of any Note, or otherwise, of any sum that may remain due and unpaid upon any Note, shall be deemed to be expressly waived and released as a condition of and consideration for the issuance of the Notes.

SECTION 12. No Debt or Tax Pledge. Anything in this Note Legislation, the Notes or any other agreement or instrument to the contrary notwithstanding, neither this Note Legislation nor the Notes shall represent or constitute a debt or pledge of the faith and credit of the taxing power of the Township, and each Note shall contain on the face thereof a statement to that effect. Nothing herein shall be deemed to prohibit the Township, of its own volition, from using, to the extent it may be lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this Note Legislation or the Notes.

SECTION 13. Book Entry Delivery. The Township Fiscal Officer is hereby authorized to take all necessary steps and execute and deliver any documents necessary or appropriate to render the bonds eligible for the services of the Depository Trust Corporation (DTC), including "book entry only" status, if so requested by the Original Purchaser.

SECTION 14. Severability. If any section, paragraph or provision of this Note Legislation shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Note Legislation.

SECTION 15. Sunshine Law. This Board hereby finds and determines that all formal actions relative to the adoption of this Note Legislation were taken in an open meeting of this Board, and that all deliberations of this Board and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with the law, including Section 121.22, Ohio Revised Code.

SECTION 16. Effective Date. This Note Legislation shall take effect at the earliest date permitted by law.

Mr. Reiter seconded the motion, and the roll being called upon the question of passage, the vote resulted as follows:

ADOPTED April 28, 2009.

[Signature]
Trustee
Joseph K. Holterman
Trustee
[Signature]
Trustee

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and compared copy of a resolution duly passed by said Board.

[Signature]

Fiscal Officer, Board of Township Trustees
Colerain Township, Hamilton County, Ohio