

AN ORDINANCE
AUTHORIZING THE MAYOR TO ENTER INTO A LEASE
AGREEMENT WITH KEY GOVERNMENT FINANCE, INC.,
FOR THE ACQUISITION OF A NEW FIRE TRUCK, AND
DECLARING AN EMERGENCY.

WHEREAS, the Village desires to lease a Pierce Custom Fire Truck (the "Vehicle") and needs to enter into a lease agreement with Key Government Finance, Inc. ("KGF") to obtain financing therefor; and

WHEREAS, this Council finds and determines that it is appropriate for the Village of Chagrin Falls to enter into a Proposed Tax Exempt Lease of Capital Equipment to lease the Vehicle from KGF for a total price of Five Hundred Sixty-Two Thousand Four Hundred One and 00/100 Dollars (\$562,401.00).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF CHAGRIN FALLS, CUYAHOGA COUNTY, STATE OF OHIO:

SECTION 1: That the Mayor be, and hereby is, authorized to enter into a Proposed Tax Exempt Lease of Capital Equipment with Key Government Finance, Inc., a copy of the proposal for which Agreement is attached hereto as "Exhibit A" and incorporated herein as if by reference, in order to lease the Vehicle for a total price of Five Hundred Sixty-Two Thousand Four Hundred One and 00/100 Dollars (\$562,401.00), subject to such modifications as may be deemed in the Village's best interest by the Mayor and Director of Law. The Mayor and other Village officials may execute such further documentation and perform such additional actions as may be necessary to accomplish the purposes of the Agreement.

SECTION 2. That actions of this Council concerning and relating to the passage of this legislation were adopted in lawful meetings of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in compliance with all legal requirements, including Chapter 114 of the Codified Ordinances of the Village of Chagrin Falls.

SECTION 3. That in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls, public notice of this Ordinance shall be given by posting a copy thereof for not less than fifteen (15) days in the Village Hall.

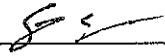
SECTION 4. That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of this Village and for the further reason that immediate legislative action is necessary so as to provide for the timely purchase of necessary equipment for the Fire Department under a state bid that expires in less than 30 days; wherefore, provided it receives the requisite number of affirmative votes of all members elected to

ORDINANCE NO.: 2014- 28
INTRODUCED BY: MR. PATTON

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Council, this Ordinance shall be in full force and effect from and immediately upon its passage by this Council and approval by the Mayor; otherwise, it shall take effect and be in force after the earliest period allowed by law.

PASSED: May 12, 2014

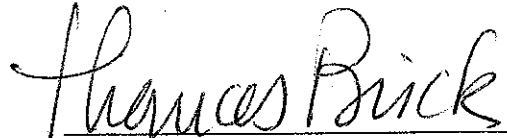


Council President

Submitted to the Mayor for
his approval on this
13 day of May, 2014

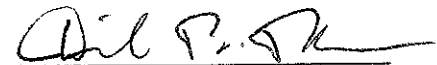
Approved by the Mayor

May 13, 2014



Mayor

I hereby certify that Ordinance No. 2014-28 was duly enacted on the 12 day of May, 2014, by the Council of the Village of Chagrin Falls and posted in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls.



Clerk of Council

EXHIBIT "A"



Village of Chagrin Falls, Ohio

Proposed Tax Exempt Lease of Capital Equipment Summary of Terms and Conditions

April 24, 2014

Lease Facility:	A \$562,401.00 (Project Cost) Tax-Exempt Lease Facility (the "Lease Facility") will be made available to the Village of Chagrin Falls, Ohio, for the acquisition of a new fire truck.
Underwriting:	It is the intent of KeyBank to fully underwrite this Lease Facility.
Funding:	\$562,401.00
Tax Ownership:	Lessee will be deemed the owner of the Property for income tax and bankruptcy purposes.

Parties to the Transaction

Lessee:	The Village of Chagrin Falls, Ohio. ("Village")
Lessor:	Key Government Finance, Inc., a 100%-owned direct subsidiary of KeyCorp ("KGF")

The Property

Property: Pierce Custom Fire Truck.

The Lease

The Closing Date: To Be Determined

Master Lease Agreement:

On the Closing Date, the Lessor and Lessee will execute a Master Tax-Exempt Lease Purchase Agreement and Property Schedule evidencing this financing.

Escrow Funding:

Escrow funding of the Lease Proceeds is available for this financing. Key Bank will work directly with the Village to maximize investment yields on all funds deposited into the Escrow Account. There are no costs associated with establishing the Escrow Account. All earnings within the Escrow Account accrue to the benefit of the Village and will be disbursed to the Village upon final Escrow Payment.

Lease Rates:

Amount	Rate	Payments	Factor	Pmts / Year	Term	Adv. / Arr.
\$562,401.00	2.69%	\$16,082.72		4	10 Years	Arrears
\$562,401.00	2.72%	\$32,307.15		2	10 Years	Arrears

Lease Rate Index:

The fixed interest rates provided in this Proposal are based on KeyCorp's Cost of Funds Index ("Index") as of April 25, 2014 and shall be subject to indexing based on any movement in the Index if the Lease closes after May 10, 2014.

Rate Locks:

KGF can provide rate locks for periods up to 60 days. Examples of those rates can be provided and will be based on the amount of the Lease Schedule and the timing of the request.

Market Disruption:

Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this term sheet, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, the Investor may modify the indicative pricing described above.

Documentation and Closing**Lease and Related Documentation:**

All documents relating to the Facility shall be attorney prepared and in a form and substance acceptable to KGF and its legal counsel, including legal opinions customary for transactions of this nature including an opinion from Lessee's counsel confirming that the documents to which the Lessee is a party (a) have been duly authorized by all requisite corporate action on the part of the Lessee, and have been duly executed and delivered by Lessee, and (b) constitute the legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms.

Transaction Costs:

None

Prepayment:

The Facility may be prepaid in whole prior to the Initial Maturity Date subject to a prepayment premium equal to 3% of the outstanding principal balance for year 1 through 5 and 1% for years 6 through 10.

Reporting Requirements:

Lessor will require receipt of the audited financial statement within 180 days of the fiscal year end for years the Audit is performed by the State Auditor.

Appropriation:

Lessor will require evidence of appropriation of the first year's Lease Payment.

Confidentiality:

This summary of terms and conditions is provided to Lessee with the understanding that neither it nor its substance shall be disclosed to any third party, other than those in a confidential relationship with Lessee such as legal counsel or accountants who shall be bound by confidentiality or where disclosure is required by law.

Commitment:

This Proposal is not a commitment; it outlines the primary Terms and Conditions under which this financing is contemplated. Additional equipment may be added to this financing subject to credit approval.

Comments:

Alternative Lease Structures are available. It is important to note that Key Government Finance has successfully worked with many Municipalities in Ohio and throughout the United States to provide tax-exempt financing. Key's extensive efforts to establish and promote this type of financing coupled with our knowledge, experience and working relationship with the Village will aid in a quick and easy closure to the financing arrangement.

Proposal Acceptance/Expiration

The terms described in this proposal will expire on June 1, 2014 if we have not received a copy signed by you on or before such date.

This proposal is issued in reliance upon the accuracy of all information presented by you to us and is contingent upon the absence of any material adverse change in the Equipment or your condition, financial or otherwise, from the condition as it was represented to us at the time of this proposal. This proposal is subject to our formal approval and the execution of documentation acceptable to each of us.

If the foregoing meets with your approval, please sign the enclosed copy and return it to us on or before the proposal Expiration Date. Our receipt of a signed copy constitutes your application for consideration by us for the transaction summarized in this proposal, and, as required by Federal law, to obtain, verify, and record information that identifies you and each person or entity to whom we provide services. Thank you for allowing us the opportunity to present this Proposal. If you have any questions, please call me at 216-689-0209.

To help the government fight the funding of terrorism and money laundering activities, federal law requires us to obtain, verify, and record information that identifies each customer who opens an account or applies for financing. Therefore, all new and existing customers are subject to the identity verification requirements. When a customer applies for financing with us, we will ask for the customer's name, address and identification number, and, in the case of an individual, his or her date of birth. For business accounts, we may also obtain this information for individuals associated with the business. We may also request to see a driver's license or other identifying documents. In all cases, we are committed to protecting the privacy and identity of each of our customers.

Very truly yours,

Key Government Finance, Inc.

By: Kevin P Scott
Kevin P. Scott
Finance Manager

*Key Bank
ATTN: Kevin P. Scott
127 Public Square, 20th FL
OH-01-27-2010
Clev, OH 44114*

APPROVED THIS _____ DAY OF _____, 20_____

Village of Chagrin Falls, Ohio

By: Thomas Brick

Print Name: Thomas Brick
Title: Mayor, Village of Chagrin Falls

Federal Tax ID: 34-6000574