

RESOLUTION NO. CR-28-80

A RESOLUTION AUTHORIZING THE CITY OF GROVE CITY, OHIO TO ENTER INTO AN AGREEMENT WITH DRUSTAR, INC., AN OHIO CORPORATION, AUTHORIZING SUCH CORPORATION TO COMMENCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF A PROJECT WITHIN THE BOUNDARIES OF THE CITY TO BE FINANCED THROUGH THE ISSUANCE AND SALE OF INDUSTRIAL DEVELOPMENT FIRST MORTGAGE REVENUE BONDS OF THE CITY; AND TO DECLARE AN EMERGENCY.

WHEREAS, the City of Grove City (the "City"), by virtue of the laws of the State of Ohio, particularly Chapter 165, Ohio Revised Code, and the authorities therein mentioned, wishes to take the necessary actions for the issuance of industrial development revenue bonds in an aggregate original principal amount not to exceed \$1,250,000 (the "Bonds") for the purpose of financing the costs of the acquisition, construction, improvement, furnishing and equipping of real and personal property comprising a new commercial office, assembly and warehouse facility to be owned by Drustar, Inc., an Ohio corporation (the "Company"), and used in the manufacture and marketing of various drug distribution and control systems (the "Project"); and

WHEREAS, this City Council has considered the matters set forth in an Agreement to Issue Bonds in the form attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Grove City, State of Ohio, that:

Section 1. This City Council does hereby find and determine that:

(a) The Project will be a "project" within the meaning of that term as defined in Section 165.01, Ohio Revised Code; and

(b) The Project is consistent with the purposes of Section 13 of Article VIII, Ohio Constitution, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the Issuer and the State of Ohio.

Section 2. The Agreement to Issue Bonds between the City and the Company, in the form attached hereto as Exhibit "A" and incorporated herein by reference, which Agreement at paragraph numbered 1 provides that the Company is authorized to acquire, construct, improve, furnish and equip real and personal property comprising a new commercial office, assembly and warehouse facility to be owned by the Company and used in the manufacture and marketing of various drug distribution and control systems, is hereby adopted and approved.

Section 3. The Mayor of the City is hereby authorized and directed to execute said Agreement to Issue Bonds and to take such other action as may be reasonable, necessary or appropriate in accordance with the terms thereof.

Section 4. It is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with Section 121.22 of the Ohio Revised Code.

Section 5. Because of the immediate need to commence the acquisition, construction, improvement, furnishing and equipping of the commercial facility described in this Resolution to create jobs and employment opportunities within the boundaries of the City at the earliest possible date and for the protection of the health, safety and welfare of the residents of the City, this Resolution is hereby declared an emergency resolution and shall take effect, and be in full force, immediately upon its adoption.

Member of City Council

Submitted: October 20, 1980

Passed: October 20, 1980

Effective: October 20, 1980

Robert Evans, Mayor

Attest:
June A. Cook, Clerk of Council

I Certify that this Resolution is correct as to form.

Robert E. Gunderman, Director of Law

AGREEMENT TO ISSUE BONDS

THIS AGREEMENT, entered into as of the ____ day of _____, 1980, between the CITY OF GROVE CITY, OHIO (hereinafter called the "City"), a municipal corporation organized and existing under the Constitution and laws of the State of Ohio, and DRUSTAR, INC., an Ohio corporation (hereinafter called the "Company"), for the purposes of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and the State of Ohio;

W I T N E S S E T H:

WHEREAS, the Company desires to acquire, construct, improve, furnish and equip real and personal property comprising a new commercial office, assembly and warehouse facility within the boundaries of the City, which facility shall be owned by the Company and used in the manufacture and marketing of various drug distribution and control systems (the "Project"); and

WHEREAS, the Company has evidenced a desire to finance such acquisition, construction, improvement, furnishing and equipping from the proceeds of Industrial Development First Mortgage Revenue Bonds in an aggregate original principal amount not to exceed \$1,250,000 (hereinafter called the "Bonds") issued pursuant to the authority of Article VIII, Section 13, of the Ohio Constitution and Chapter 165 of the Ohio Revised Code; and

WHEREAS, the Project will create or preserve jobs and employment opportunities for residents of the City and improve the economic welfare of the City and its people; and

WHEREAS, it is the desire of the City that such added jobs and employment opportunities be provided at the earliest possible moment and that the economic improvement produced by the acquisition, construction, improvement,

furnishing and equipping occur at the earliest possible time;

NOW, THEREFORE, in consideration of the foregoing, the City and the Company hereby agree as follows:

1. The Company shall promptly commence the acquisition, construction, improvement, furnishing and equipping of the Project which will create or preserve jobs and employment opportunities and improve the economic welfare of the City and the State of Ohio, and the Company will provide, or cause to be provided at its own expense, the necessary interim financing to permit such acquisition, construction, improvement, furnishing and equipping to commence promptly. The Company also agrees that upon the issuance of the Bonds of the City it will, at least to the extent financed with the proceeds of the Bonds, enter into a lease or loan agreement with the City under which the Company will make rental or loan payments sufficient to pay the principal of and any premium and interest on the Bonds and such additional payments as may be required or provided by law and the bond legislation to pay all taxes and special assessments, if any, and whatever sums may be required for operation, maintenance and depreciation of the Project. The parties hereto further agree that the Company shall be reimbursed from the proceeds of such Bonds for the costs incurred, directly or indirectly, for or in connection with the Project, whether such costs shall be incurred prior to, at, or after delivery of said Bonds.

2. The City will, subject to the requirements and provisions of law, enact the legislation necessary to authorize the issuance of the Bonds and the execution of such lease or loan agreement on behalf of the City, as well as other necessary documents, provided that the Bonds shall not represent or constitute a debt or a pledge of the faith and credit of the City and shall not obligate or pledge any monies raised by taxation, but the payments of the principal of and any premium and interest on the Bonds shall be made

solely and only from the rentals, revenues and other income, charges and monies derived from the lease, sale, use or other disposition of the Project. The Bonds and accompanying documents shall have such terms as shall be approved by the Company and the City, and the City will deliver the Bonds to the purchaser or purchasers thereof designated by the Company and will cooperate to its fullest extent in consummating the transaction.

3. In order to induce the City to execute and deliver this Agreement and ultimately to issue the Bonds as aforesaid, the Company hereby agrees to defend, indemnify, and hold the City and any and all officials and employees thereof harmless against any and all loss, cost, expense, claims, or action arising out of or connected with issuance of the Bonds as aforesaid and all proceedings relating thereto. The parties hereto agree that the Company is hereby authorized to transfer and assign all of its rights and obligations hereunder to a corporation, partnership, limited partnership or other entity which is a "related person" to the Company, as that term is defined in Section 103(b)(6)(C) of the Internal Revenue Code of 1954, as amended.

4. All wages paid to laborers and mechanics employed on the Project shall be paid at the prevailing rates of wages of laborers and mechanics for the class of work called for by the Project, which wages shall be determined in accordance with the requirements of Chapter 4115, Ohio Revised Code, for determination of prevailing wage rates; provided that if the Company undertakes, as part of the Project, construction to be performed by its regular bargaining unit employees who are covered under a collective bargaining agreement which was in existence prior to the date of this Agreement, the rate of pay provided under the applicable bargaining agreement may be paid to such employees.

IN WITNESS WHEREOF, the City, pursuant to a Resolution of its City Council passed on 10/20, 1980, has caused this Agreement to be executed by its Mayor, and the Company

has caused this Agreement to be executed by its duly authorized officer as of the day and year first above written.

DRUSTAR, INC.

CITY OF GROVE CITY, OHIO

By _____
Kenneth D. Relyea, President

By _____
Robert Evans, Mayor

The foregoing Agreement
is hereby approved as to form.

Director of Law