

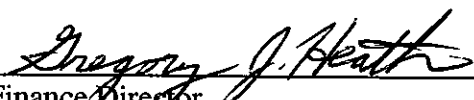
FISCAL OFFICER'S CERTIFICATE

To the Council of the City of Napoleon, Ohio:

As fiscal officer of the City of Napoleon, Ohio, I certify in connection with your proposed issue of notes in the maximum principal amount of \$2,500,000 (the "*Notes*"), to be issued in anticipation of the issuance of bonds (the "*Bonds*") for the purpose of paying the costs of improving the municipal water system by constructing a new water treatment plant, acquiring and improving related interests in real property, improving and rehabilitating the existing water treatment plant and related storage facilities, and rehabilitating the elevated storage tanks, together with all necessary and related appurtenances thereto (the "*Improvement*"), that:

1. The estimated life or period of usefulness of the Improvement is at least five years.
2. The estimated maximum maturity of the Bonds, calculated in accordance with Section 133.20, Ohio Revised Code, is at least thirty (30) years, being my estimate of the life or period of usefulness of that Improvement. If notes in anticipation of the Bonds are outstanding later than the last day of December of the fifth year following the year of issuance of the original issue of notes, the period in excess of those five years shall be deducted from that maximum maturity of the Bonds.
3. The maximum maturity of the Notes is two hundred forty (240) months.

Dated: February 4, 2013



Finance Director
City of Napoleon, Ohio

INVITATION FOR PROPOSALS

\$2,500,000

City of Napoleon, Ohio
Capital Facilities Notes, Series 2013

General Obligation Bond Anticipation Notes
(Limited Tax Bonds)

Invitation for Proposals. The City of Napoleon, Ohio (the "City"), is planning to issue \$2,500,000 Capital Facilities Notes, Series 2013 (the "Notes"). By this Invitation for Proposals (the "Invitation"), the City is inviting written (including facsimile or electronic mail) proposals, or oral proposals communicated by telephone, for the purchase, at not less than 100% of par and accrued interest, of all of the Notes. Proposals will be received until **11:00 a.m., Ohio time, on Thursday, February 21, 2013**. Each proposal shall specify the single rate of interest that the Notes are to bear. A suggested proposal form that may, but need not, be used is attached.

Proposals. Written or oral proposals will be received by the undersigned at the office of the Finance Director of the City at the address or phone number stated below. Oral proposals will be promptly confirmed in writing by the undersigned. Written proposals may either be delivered to the aforesaid location, or, at the risk of the proposer, may be faxed to the undersigned whose fax number is (419) 599-8393 or sent by electronic mail to the undersigned whose electronic mail address is gheath@napoleonohio.com. **Any proposer that attempts to use facsimile transmission or electronic mail assumes the risk that its proposal is not received or that the proposer is unable to communicate on a facsimile or electronic mail basis, whether such inability is by reason of equipment malfunction, human error, prior use of facsimile equipment or any other cause whatsoever.**

Basic Terms of the Notes. The Notes will be dated March 7, 2013; will mature March 6, 2014 without option of call or prior redemption or prepayment; and will bear interest at a rate not to exceed 6.00% per year (computed on the basis of a 360-day year consisting of twelve 30-day months) from their date payable at maturity. The Notes will be issued in such denominations as requested by the original purchaser and approved by the undersigned, *provided* that the Notes shall be issued in the minimum denominations of \$100,000 each or in any denomination that is the sum of (i) \$100,000 and (ii) \$1,000 or any whole multiple thereof.

The City anticipates the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes and other available funds of the City, or a combination of such sources. The ability of the City to retire the Notes from the proceeds of the sale of either renewal notes or bonds will be dependent on the marketability of such notes or bonds under market conditions prevailing at the time they are offered for sale.

No Official Statement. No official statement or other disclosure document meeting the requirement of Rule 15c2-12 of the Securities and Exchange Commission is available and

therefore an original purchaser must avail itself of the exemption provided in subparagraph (d)(1) of that Rule limiting sales of the Notes to no more than 35 persons each of whom the original purchaser reasonably believes (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Notes and (ii) is not purchasing the Notes for more than one account or with a view toward distributing or reselling the Notes.

Payment of Principal and Interest; Paying Agent. The Notes will be payable in federal reserve funds of the United States of America at the designated corporate trust office of The Huntington National Bank, in Columbus, Ohio, or at such other office of a bank or trust company designated by the Finance Director after determining that the payment at that bank or trust company will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose, or at the office of the Finance Director if agreed to by the Finance Director and the original purchaser (the "*Paying Agent*").

Basis of Award. At the time and date stated above, the Finance Director will consider the proposals submitted and will award the Notes on the basis of the proposal resulting in the sale of the Notes at the lowest net interest cost to the stated maturity. The lowest net interest cost will be determined by taking the amount of interest from the date of the Notes to the stated maturity date and deducting therefrom the amount of any premium. In the event of tie proposals, the successful proposal will be selected by lot in a manner determined by the Finance Director. Any informality or failure to conform to the instructions contained in this Invitation may be waived by the Finance Director, and the Finance Director may reject any or all of the proposals presented. All determinations and the award by the Finance Director shall be final.

Book Entry. At the request of the original purchaser, the Finance Director may authorize the Notes to be issued as fully registered securities (for which the City will serve as note registrar) in book entry only form for use in the book entry only system of The Depository Trust Company, New York, New York ("*DTC*"). Fully registered Notes issued in the book entry only system of DTC will be retained and immobilized in the custody of DTC or its designated agent. For all purposes under the Note proceedings, DTC will be and will be considered by the City and the Paying Agent to be the owner or holder of the Notes. Owners of book entry interests in the Notes (book entry interest owners) will not receive or have the right to receive physical delivery of Notes, and will not be or be considered by the City and the Paying Agent to be, and will not have any rights as, owners or holders of Notes under the Note proceedings. **The original purchaser will be responsible for (i) completing and delivering to DTC, prior to delivery of the Notes, the appropriate DTC "Eligibility Questionnaire" and (ii) any fees and expenses imposed by DTC (see Costs of Issuance).**

Purpose, Security and Authorization of Notes. The Notes are to be issued in anticipation of the issuance of bonds for the purpose of paying the costs of improving the municipal water system by constructing a new water treatment plant, acquiring and improving related interests in real property, improving and rehabilitating the existing water treatment plant and related storage facilities, and rehabilitating the elevated storage tanks, together with all necessary and related appurtenances thereto.

The bonds in anticipation of which the Notes are issued, unless paid from other sources and subject to bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion, are to be paid from the proceeds of the levy of ad valorem taxes on all property subject to ad valorem taxes levied by the City, which taxes are within the ten-mill limitation imposed by law. The maximum maturity of bond anticipation notes for the improvements is two hundred forty (240) months.

Rating. No application for a rating on the Notes has been made by the City.

Costs of Issuance. The successful proposer will be responsible for the fees of CUSIP, DTC, the Ohio Municipal Advisory Council ("OMAC") and any other industry assessments. Payment of the fees and costs of CUSIP, DTC, OMAC and any other industry assessments shall be made by the successful proposer directly to the service providers. For information concerning OMAC, please contact OMAC at (330) 963-7444.

The City will be responsible for the payment of all other issuance costs, including the fees of Bond Counsel and the Paying Agent.

Legal Opinion and Tax Matters. Legal matters incident to the issuance of the Notes and with regard to the status of the interest on the Notes under existing federal and Ohio tax law are subject to the legal opinion of Squire Sanders (US) LLP, Bond Counsel to the City, which will be furnished without cost to the original purchaser at the time the Notes are delivered to it.

The legal opinion of Bond Counsel will include an opinion to the effect that under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and the Notes are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City's certifications and representations or the continuing compliance with the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is

not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The City has covenanted to take the actions required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market value of the Notes.

A portion of the interest on the Notes earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited

to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Notes at other than their original issuance should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Notes should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Limited Role of Bond Counsel. In addition to rendering the legal opinion, Bond Counsel, whose legal services have been retained by the City, will assist in the preparation of, and advise the City concerning, documents for the note transcript. Bond Counsel has not been retained to confirm or verify, assumes no responsibility for, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in any reports, financial information, offering or disclosure documents or other information relating to the City or the Notes that may be prepared or made available by the City or others to those submitting proposals for or holders of the Notes or others.

Form and Delivery of Notes Upon Payment of Purchase Price. The Notes will be prepared in typewritten or xerographically reproduced form at the expense of the City. If the original purchaser requests printed Notes, the original purchaser must pay the expense of

printing. Delivery will be made without charge at such place in the State of Ohio as the original purchaser shall designate, *provided* that mutually satisfactory arrangements for delivery outside the State of Ohio at the expense of the original purchaser may be made. It is anticipated that delivery will be made on March 7, 2013, by 10:00 a.m., Ohio time. The original purchaser must pay for the Notes no later than 10:00 a.m. (Ohio time) on the date of delivery in Federal Reserve funds of the United States of America.

CUSIP. CUSIP numbers and any CUSIP Service Bureau charge for the assignment of the numbers are the responsibility of the original purchaser (see **Costs of Issuance**). Any delay, error or omission with respect thereto shall not constitute cause for the original purchaser to refuse to accept delivery of and pay for the Notes.

Subsequent Events. In the event that, prior to their delivery, the interest on the Notes should by any act of Congress or otherwise become subject to federal income tax, or any act of Congress should provide that the interest income on the Notes shall be taxable at a future date for federal income tax purposes other than as discussed herein, whether directly or indirectly, the original purchaser may refuse to accept delivery.

Transcript of Proceedings. The City will furnish the transcript of proceedings and a certificate that to the knowledge of the signers no litigation or administrative action or proceeding is pending or threatened at the time of initial delivery to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Notes or the levy and collection of the taxes or the charge and collection of any applicable rates, fees or charges for their payment, or to contest or question the proceedings and authority under which the Notes will have been authorized, issued, sold, signed or delivered or the validity of the Notes or the issuance of the bonds in anticipation of which the Notes are to be issued.

Other Obligations of the Purchaser. The original purchaser of the Notes from the City, by submitting its proposal, agrees to provide promptly and timely to the City and Bond Counsel information as to bona fide initial offering prices to the public and sales of the Notes appropriate for the determination of the issue price of, and the yield on, the Notes under the Code, as and at the time requested by Bond Counsel.

Questions. Any questions concerning the Notes should be addressed to the undersigned or the City's Bond Counsel, Squire Sanders (US) LLP (Chris Franzmann – (614) 365-2737).

Dated: February 7, 2013

Gregory J. Heath
Finance Director
City of Napoleon, Ohio
255 West Riverview Avenue
Napoleon, OH 43545
Telephone: (419) 599-1235
Facsimile: (419) 599-8393
E-Mail: gheath@napoleonohio.com

SUGGESTED PROPOSAL FORM

PROPOSAL FOR NOTES

City of Napoleon, Ohio
c/o Gregory J. Heath
Finance Director
255 West Riverview Avenue
Napoleon, OH 43545

February ____, 2013

For all of your \$2,500,000 Capital Facilities Notes, Series 2013 (the "Notes"), dated March 7, 2013, maturing March 6, 2014, and described in your Invitation for Proposals dated February 7, 2013 (the "Invitation"), providing for receipt of proposals by 11:00 a.m. Ohio time on February 21, 2013, we, jointly and severally if more than one name is stated below, agree to pay the par value of the Notes (\$2,500,000) plus a premium of \$_____,* plus accrued interest from the date of the Notes to the date of delivery thereof, with the Notes to bear an interest rate of _____%** per year.

This proposal is made in accordance with and subject to the terms and conditions provided in that Invitation, which is made a part of this proposal.

* If this blank is not filled in with a dollar amount, no premium is to be paid.

** Not to exceed 6.0%.

For Information Only
(Not a part of this proposal)

Gross Interest Cost \$ _____

Less Premium or \$ _____
Plus Discount

Net Interest Cost \$ _____

Net Interest Rate _____%

Printed Name of Firm Making Proposal

Signature of Person Making Proposal
as an Authorized Officer or Agent

Name and Title of Person Signing
Proposal as an Authorized Officer or Agent

Telephone Number of Signer