

VILLAGE OF NEW CONCORD, OHIO

ORDINANCE NO. H-3-11-1

ORDINANCE AUTHORIZING THE ISSUANCE OF \$575,000 WASTEWATER TREATMENT PLANT IMPROVEMENT MORTGAGE REVENUE BONDS BY THE VILLAGE OF NEW CONCORD, OHIO, PURSUANT TO SECTION 12, ARTICLE XVIII OF THE OHIO CONSTITUTION FOR THE PURPOSE OF PAYING PART OF THE COSTS OF CONSTRUCTING IMPROVEMENTS TO THE VILLAGE'S WASTEWATER TREATMENT PLANT; PROVIDING FOR THE COLLECTION BY THE VILLAGE OF REVENUES FROM SAID SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE THEREOF; PROVIDING AN ADEQUATE RESERVE FUND THEREFOR; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE PAYMENT OF SAID BONDS; PROVIDING FOR THE SEGREGATION AND DISTRIBUTION OF SAID REVENUES; PROVIDING FOR A MORTGAGE OF SAID SYSTEM AND A LIEN ON THE REVENUES THEREOF TO SECURE SAID BONDS AND TO SECURE ANY ADDITIONAL PARITY BONDS WHICH MAY BE HEREAFTER AUTHORIZED; GRANTING OF A FRANCHISE UPON DEFAULT; AND FURTHER PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS IN ENFORCEMENT THEREOF; AND DECLARING AN EMERGENCY.

WHEREAS, this council has found it advisable and necessary for the best interest of the Village of New Concord, Ohio (the "Village") to construct improvements to the wastewater treatment plant (the "Plant") to serve the Village; and

WHEREAS, this council hereby finds it advisable and necessary to provide financing for additional project costs pursuant to Section 12, Article XVIII of the Constitution of Ohio; and

WHEREAS, this council after due investigation, had determined that it is necessary and proper for the council to authorize the issuance of \$575,000 of mortgage revenue bonds pursuant to Section 12, Article XVIII of the Constitution of Ohio; and

WHEREAS, this council finds all conditions precedent to the issuance and sale of the herein authorized \$575,000 principal amount of mortgage revenue bonds have been met or can be met prior to the closing of the bond issue;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF NEW CONCORD, COUNTY OF MUSKINGUM, STATE OF OHIO, THAT:

SECTION 1. This council hereby finds and determines that the Plant shall be operated as a public utility, including all extensions and improvements thereto; that rates and charges for the services of the Plant will be fixed in an amount sufficient to pay the costs of operating and maintaining the Plant and to provide an amount of revenues adequate for the payment of principal and interest, debt service reserve requirements, replacements and improvement requirements, and all other requirements provided herein; and that it is necessary to issue and sell the Wastewater Treatment Plant Improvement Mortgage Revenue Bonds (hereinafter called the

"Bonds") in the principal amount of \$575,000, having the terms provided herein, the proceeds to be used for the purpose of paying part of the costs of constructing improvements for the Plant and purposes incidental thereto and incidental to the issuance of the Bonds and for such other purposes as may be described herein.

SECTION 2. This council hereby declares that the period of usefulness of the improvements to the Plant to be financed pursuant to this ordinance is at least forty (40) years from the date of completion of said improvements; and further ratifies and confirms the Village's application for and acceptance of the loan evidenced by the Bonds and all actions of Village officials and others relating to the improvement of the Plant and the application for and acceptance of said loan.

SECTION 3. The Bonds shall be issued in fully registered form without interest coupons, shall be in the denominations of \$1,000 or integral multiples thereof, shall be numbered R-1 upward in order of issuance and shall be dated the date of initial issuance. There shall be no charge for registration or transfer. With the United States of America purchasing all of said Bonds, they shall be issued in such denominations as may be requested by the United States of America including but not limited to a single bond in the aggregate amount purchased, registered as to both principal and interest in the name of the "United States of America". The Bonds shall be negotiable instruments. The Bonds shall be registered on the books of the Village kept for that purpose by the Clerk-Fiscal Officer, as bond registrar (the "Bond Registrar") upon presentation thereof, which registration shall be noted thereon by the registrar, and no transfer shall be valid unless made on said books. The Bonds shall be in the initial principal amount of \$575,000, and the outstanding principal amount of the Bonds from time to time shall bear interest at the rate of two and twenty-five hundredths percent (2.25%) per annum. The interest on the Bonds shall be payable annually on the first day of April of each year beginning April 1, 2012, until the final payment of the principal amount of each Bond. Interest shall be calculated on a 365-day year basis. The principal of the Bonds shall be due and payable in installments on April 1 of the years and in the respective principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2012	\$ 0	2032	\$14,300
2013	9,400	2033	14,600
2014	9,500	2034	14,900
2015	9,800	2035	15,300
2016	10,000	2036	15,600
2017	10,300	2037	16,000
2018	10,400	2038	16,300
2019	10,700	2039	16,700
2020	11,000	2040	17,100
2021	11,200	2041	17,500
2022	\$11,400	2042	\$17,800
2023	11,700	2043	18,300
2024	12,000	2044	18,600

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2025	12,200	2045	19,100
2026	12,500	2046	19,500
2027	12,800	2047	20,000
2028	13,100	2048	20,400
2029	13,300	2049	20,900
2030	13,700	2050	21,300
2031	14,000	2051	21,800

Interest on the Bonds shall be payable by check or draft mailed to the registered holder at the address shown on the registration books of the Village. Principal of each Bond (other than the final payment of principal) shall be payable by check or draft mailed to the registered holder at the address shown on the registration books of the Village; the final payment of principal shall be payable to the registered holder upon presentation and surrender of the Bond at the office of the Bond Registrar. So long as any of the Bonds remain outstanding, the Village will maintain and keep at the office of the Bond Registrar, books for the registration and transfer of Bonds as provided in this ordinance. The person in whose name any Bonds shall be registered on the registration books of the Village shall be regarded as the absolute owner thereof for all purposes of this ordinance and payment of or on account of the principal of and interest on any Bonds shall be made only to or upon the order of such person or persons authorized by a power of attorney in such form as shall be satisfactory to the Bond Registrar, and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary, but such registration may be changed as provided herein. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds, including the interest thereon, to the extent of the amount or amounts so paid. In the event the Bonds are held by other than the United States of America, the Village may contract in accordance with Section 9.96, Ohio Revised Code, for services of a paying agent, bond registrar and/or transfer agent for the Bonds. Redemption of the Bonds, in whole or in part, prior to maturity may be made at the option of the Village at any time, in inverse order of maturity, at par plus accrued interest upon thirty (30) days' notice given to the registered holder thereof by certified mail.

The Bonds shall be signed by the Mayor and the Clerk-Fiscal Officer of the Village, provided, however, that both of such signatures may be facsimile signatures, and the corporate seal of the Village may be impressed thereon, provided, however, that such seal may be a facsimile seal. Any authority, officer or board which hereafter succeeds, by operation of law, to the powers and duties of the Mayor, the Clerk-Fiscal Officer or the Solicitor of the Village shall be deemed included in the applicable official designation while having such powers and duties.

The Bonds and the lien on the revenues of the Plant securing the Bonds may not be defeased as long as the Bonds are held by the United States of America.

The Village shall upon request of the holder of each Bond other than the original purchaser, at any time at the expense of such holder, and within ninety (90) days after such request, exchange Bonds for Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates, as the Bonds being

exchanged. The Village shall upon the request of the original purchaser of the Bond, at any time at the expense of the original purchaser, and within ninety (90) days after such request, exchange the Bond for Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, bearing interest at the same rate, and maturing on the same date or dates as, the Bond being exchanged. Bonds shall be so exchanged only for and upon surrender to the Village of the corresponding Bond or Bonds being exchanged which shall then immediately be cancelled by the Bond Registrar. The Bonds shall be transferable, without charge to the holder, only on the registration books of the Village upon presentation to the Bond Registrar with a written transfer duly acknowledged by the registered holder or such holder's attorney and such transfer to be noted on the Bond.

SECTION 4. The form and tenor of the Bonds shall be substantially as follows:

[Fully Registered Bond]

UNITED STATES OF AMERICA
STATE OF OHIO
COUNTY OF MUSKINGUM

VILLAGE OF NEW CONCORD
WASTEWATER TREATMENT PLANT IMPROVEMENT
MORTGAGE REVENUE BOND

No. R-1

\$575,000

The Village of New Concord (hereinafter called the "Village"), in the County of Muskingum, State of Ohio, for value received, hereby promises to pay, from the revenues and in the manner hereinafter set forth to the registered holder, but only out of the special utility fund as herein provided, the principal sum of Five Hundred Seventy-Five Thousand Dollars (\$575,000), on the first day of April in installments in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, according to the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2012	\$ 0	2032	\$14,300
2013	9,400	2033	14,600
2014	9,500	2034	14,900
2015	9,800	2035	15,300
2016	10,000	2036	15,600
2017	10,300	2037	16,000
2018	10,400	2038	16,300
2019	\$10,700	2039	\$16,700
2020	11,000	2040	17,100
2021	11,200	2041	17,500
2022	11,400	2042	17,800

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2023	11,700	2043	18,300
2024	12,000	2044	18,600
2025	12,200	2045	19,100
2026	12,500	2046	19,500
2027	12,800	2047	20,000
2028	13,100	2048	20,400
2029	13,300	2049	20,900
2030	13,700	2050	21,300
2031	14,000	2051	21,800

and to pay the registered holder hereof in the manner hereinafter set forth, by check or draft, interest on the balance of said principal sum from time to time remaining unpaid in like coin or currency at the rate of two and twenty-five hundredths percent (2.25%) per annum annually on the first day of April in each year commencing April 1, 2012, until the principal amount has been paid to the holder as shown on the registration books of the Village. Principal of this bond (other than the final payment of principal) is payable by check or draft mailed to the registered holder hereof at the address shown on the registration books of the Village; the final payment of principal is payable to such registered holder upon presentation and surrender of this bond at the office of the Bond Registrar, as hereinafter defined. This bond shall bear interest from the most recent interest payment date to which interest has been paid or, if no interest has been paid, from the date hereof.

This bond may be from time to time called for redemption by the Village, at its option and at any time prior to maturity, in inverse order of maturity at par plus accrued interest. Thirty (30) days redemption notice shall be given to the registered holder by certified mail. All installments as to which the Village exercises its right of redemption and as to which notice aforesaid shall have been given and for the retirement of which funds are duly provided and noted on Schedule "A", attached hereto, will cease to bear interest on the date fixed for redemption.

This bond is one of a duly authorized issue of bonds, numbered R-1 upward in order of issuance, aggregating \$575,000 principal amount, dated as of _____ and issued by the Village pursuant to Ordinance No. H-3-11-1, passed March 14, 2011, (the "Ordinance") and in compliance with Section 12, Article XVIII of the Constitution of Ohio, and the laws of Ohio for the purpose of paying part of the costs of constructing improvements to the Village's wastewater treatment plant.

This bond and the issue of which it is a part together with such additional bonds as may be issued on a parity therewith under the Ordinance and a mortgage from the Village to the United States of America (the "Mortgage") dated as of _____, with interest thereon, are payable from and secured by and constitute a first charge on the net revenue of the Village's wastewater treatment plant and a first mortgage upon all extensions and additions and improvements thereto subsequently constructed or acquired, out of which net revenues there is to be deposited in the special utility fund designated "Wastewater Treatment Plant Improvement Mortgage Revenue Bond and Interest Sinking Fund" created by said Ordinance, a sum sufficient

to pay the principal of and interest on said bonds. This bond is payable only from said sinking fund and does not constitute an indebtedness of the Village within the provisions and limitations of the laws and the Constitution of the State of Ohio.

Reference is hereby made to the Mortgage and the Ordinance for a more complete description of the mortgaged properties, the nature and extent of the security, the rights of the holders of the bonds and of the Village with respect to such security, and the terms and conditions upon which the bonds are issued and secured, and to which each registered holder, by the acceptance hereof, assents.

The Village, acting through its council, covenants that it will fix and revise such rates and charges for the services and facilities of its wastewater treatment plant and collect and account for income and revenue therefrom sufficient to promptly pay all expenses incident to the operation of the plant, a sinking fund for payment of principal and interest on the bonds, and to provide for depreciation and for the payment of any taxes or assessments on revenues thereof.

This bond shall be registered in the name of the holder in accordance with the Ordinance. This bond shall be transferable only upon presentation to the Village Clerk-Fiscal Officer, as bond registrar (the "Bond Registrar"), with a written transfer duly acknowledged by the registered holder or his attorney, such transfer shall be noted hereon and upon the books of the Village kept for that purpose.

Upon default in the payment of principal or interest on this bond, or upon failure of the Village to comply with any other provision of this bond or the provisions of the Ordinance, the registered holder may at its option institute all rights and remedies provided by law or said Ordinance and the Mortgage granted thereunder which Mortgage and all rights, duties, privileges and immunities contained therein are hereby expressly made a part of this bond.

To the extent and in the manner permitted by the terms of the Ordinance, any covenant, condition or provision of the Mortgage or any supplement thereto may be modified or amended, without necessity for notation hereon of reference thereto, by the Village by ordinance of its council, but no such action shall result in changing the redemption provisions or interest and principal maturity dates or reducing the principal amount or interest rate on any bond without the consent of the holder.

If an event of default, as defined in the Mortgage, shall occur, the principal of this bond and all other bonds secured by the Mortgage then issued and outstanding may be declared to become due and payable in the manner and with the effect provided by the Mortgage, but subject to waiver of such default as provided in the Mortgage.

The holder of this bond shall not be entitled to institute any suit, action or proceeding at law or in equity to enforce any rights or remedies granted by the Mortgage except to the extent and in the manner provided therein.

No provision of this bond or of the Mortgage and no reference herein to the Mortgage or the Ordinance shall have the effect of incorporating in the terms of this bond any provision which would alter or impair the obligation of the Village, which is absolute and unconditional, to pay, from the funds herein described, the principal of and interest on this bond at the times and

places and in the coin and currency provided herein or affect the right of the holder of this bond to enforce payment thereof from such funds at and after the date of maturity of this bond without reference to or consent of the holder of any other bond.

This bond may be exchanged at the holder's expense for bonds bearing interest at the same rate and maturing on the same date of authorized denominations. Said exchange shall occur within ninety (90) days after the request and upon surrender of this bond which shall be cancelled by the Bond Registrar.

This bond shall be registered in the name of the holder in accordance with the Ordinance after which it shall be transferable only on the registration books of the Village upon presentation to the Bond Registrar, with a written transfer duly acknowledged by the registered holder or such holder's attorney. No charge shall be made for registration and transfer.

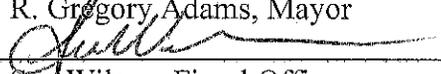
It is hereby certified that all acts, conditions and things required to exist, happen and be performed precedent to any issuance of this bond now exist, have happened and have been performed as required by law; that the Village has received payment in full for the bonds; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the bonds.

If the total par value of this bond is not paid by the United States of America to the Village at the time of delivery hereof, any such par value shall be advanced to the Village in one or more installments in accordance with the Schedule of Multiple Advances attached hereto, and interest shall accrue on the amount of each such advance from its actual date as shown on said Schedule of Multiple Advances.

IN WITNESS WHEREOF, the Village of New Concord, County of Muskingum, Ohio, acting through its council, has caused this bond to be executed in its corporate name by its mayor and Clerk-Fiscal Officer and the corporate seal to be affixed hereto as of the ____ day of _____, 2011.

VILLAGE OF NEW CONCORD, OHIO

By: 
R. Gregory Adams, Mayor

By: 
Sue Wilson, Fiscal Officer

(VILLAGE SEAL)

135685

REGISTRATION

(Entries to be made only by the Clerk-Fiscal Officer
of the Village of New Concord, Ohio,
as Bond Registrar)

<u>Date</u>	<u>Name of Registered Holder</u>	<u>Signature of Registrar</u>
_____	<u>United States of America</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHEDULE "A"

Principal Instalments on Which Payments
Have Been Made Prior to Maturity

<u>Date</u>	<u>Principal Due</u>	<u>Principal Amount Due</u>	<u>Total Amount Paid</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Signature of Authorized Official and Title</u>
April 1, 2012	\$ 0					
April 1, 2013	9,400					
April 1, 2014	9,500					
April 1, 2015	9,800					
April 1, 2016	10,000					
April 1, 2017	10,300					
April 1, 2018	10,400					
April 1, 2019	10,700					
April 1, 2020	11,000					
April 1, 2021	11,200					
April 1, 2022	11,400					
April 1, 2023	11,700					
April 1, 2024	12,000					
April 1, 2025	12,200					
April 1, 2026	12,500					
April 1, 2027	12,800					
April 1, 2028	13,100					
April 1, 2029	13,300					
April 1, 2030	13,700					
April 1, 2031	14,000					
April 1, 2032	14,300					
April 1, 2033	14,600					
April 1, 2034	14,900					
April 1, 2035	15,300					
April 1, 2036	15,600					
April 1, 2037	16,000					
April 1, 2038	16,300					
April 1, 2039	16,700					
April 1, 2040	17,100					
April 1, 2041	17,500					
April 1, 2042	17,800					
April 1, 2043	18,300					
April 1, 2044	18,600					
April 1, 2045	19,100					
April 1, 2046	19,500					
April 1, 2047	20,000					
April 1, 2048	20,400					
April 1, 2049	20,900					
April 1, 2050	21,300					
April 1, 2051	21,800					

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within bond and does hereby irrevocably constitute and appoint attorney to transfer the said bond on the books kept for registration of the within bond with full power of substitution in the premises.

Dated: _____, 20__

In the presence of:

SECTION 5. The Bonds hereby authorized, together with interest thereon, shall be secured by a first mortgage upon the Plant and shall be payable solely from the net income and revenue to be derived from the operation of the Plant, a sufficient portion of which to pay such principal and interest as and when the same shall become due is hereby pledged and shall continue to be set aside for that purpose and identified as the "Wastewater Treatment Plant Mortgage Revenue Bond and Interest Sinking Fund" as hereinafter specified.

SECTION 6. The Clerk-Fiscal Officer of the Village shall be custodian of all funds belonging to and/or associated with the Plant and such funds shall be deposited in a bank satisfactory to the United States of America, which bank shall be a member of the Federal Deposit Insurance Corporation. So long as the United States of America is the owner of any of the Bonds and requires a fidelity bond, the Village Clerk-Fiscal Officer shall obtain and keep in force a fidelity bond to the extent and in the amount required by the United States of America. Such fidelity bond shall be with a surety company and in an amount, approved by the appropriate official of the United States of America, and the United States of America and the Village shall be named as co-obligee in such bond, and the amount thereof shall not be reduced without the prior written consent of the appropriate official of the United States of America. The Village Clerk-Fiscal Officer is hereby directed to create the following funds into which the Bond proceeds and the revenues and income from the Plant shall be deposited, which funds shall be established and maintained except as otherwise provided so long as any Bond hereby authorized remains unpaid.

A. WASTEWATER TREATMENT PLANT REVENUE FUND. The gross income and revenues from the Plant shall be set aside into a separate fund to be designated the Wastewater Treatment Plant Revenue Fund (hereinafter called the "Revenue Fund"), which fund is hereby established and monies so deposited therein shall be expended and used only in the manner and order as follows:

(1) Operation and Maintenance Fund. There shall be transferred each month from the Revenue Fund a sufficient portion of the income and revenues to the Operation and Maintenance Fund, which such fund is hereby established to pay the reasonable and necessary current expenses of operation and maintaining the Plant for the ensuing month.

(2) Wastewater Treatment Plant Improvement Mortgage Revenue Bond and Interest Sinking Fund. After the transfer required in (1) above, there shall be transferred each month from the Revenue Fund before any other expenditures or transfers therefrom, and deposited in the Wastewater Treatment Plant Improvement Mortgage Revenue Bond and Interest Sinking Fund (the "Sinking Fund"), which such fund is hereby established for payment of principal and interest on the Bonds, a sum equal to at least one-twelfth (1/12) (or such larger amount as is necessary) of the sum of the amount of interest due on the next ensuing interest payment date with respect to all Bonds outstanding plus the amount necessary to provide for payment of the next ensuing principal maturity of all Bonds outstanding. If for any reason there is a failure to make such monthly deposit, then an amount equal to the deficiency shall be set aside and deposited in the Sinking Fund out of the net revenues of the Plant in the ensuing month or months, which amount shall be in addition to the regular monthly deposit required during such succeeding month or months.

Whenever there shall accumulate in the Sinking Fund amounts in excess of the requirements during the next twelve (12) months for paying the principal of Bonds falling due and interest on all outstanding Bonds and in excess of the requirements of the Operation and Maintenance Fund and the Reserve Fund hereinafter established, such excess may be used by the Village for redemption of Bonds in the manner set out in Section 3 of this Ordinance.

If there is a paying agent for any of the Bonds, the Clerk-Fiscal Officer of the Village shall place on deposit not later than fifteen (15) days before each interest payment date of Bonds with such agent an amount sufficient to pay the principal of and interest on the Bonds.

(3) Reserve Fund. Out of the balance of income and revenue of the Plant after the transfers required in (1) and (2) above, have been made, there shall be set aside and deposited in the Reserve Fund, which such fund is hereby established, the sum of \$185.92 each month until there is accumulated in such fund the sum of \$22,310 (the "Minimum Reserve"), after which no further deposits need be made into such fund except to replace withdrawals. With the approval of the United States of America, the Minimum Reserve shall be used and disbursed only for the purpose of paying the cost of repairing or replacing any damage to the Plant which may be caused by an unforeseen catastrophe, and when necessary for the purpose of making payments of principal and interest on the Bonds hereby authorized if the amount in the Sinking Fund is not sufficient to meet such payments. Whenever disbursements are made from such fund, monthly payments shall be resumed until there is again accumulated in such fund an amount equal to the Minimum Reserve, at which time payments may be again discontinued. The funds in the Reserve Fund may be invested in obligations of the United States of America or in time or savings deposits in accordance with applicable State laws. Any such investment and the interest earned thereon shall be a part of the Reserve Fund.

Surplus funds shall be retained in the Revenue Fund and may be used for making extensions or improvements to the Plant, redeeming outstanding Bonds, redeeming outstanding Bonds prior to maturity, paying other obligations issued to finance improvements to the Plant, and any other use of the revenues of the Plant authorized by law.

SECTION 7. The Bonds shall be designated as set forth in this Ordinance, shall be payable in lawful money of the United States, shall be issued in fully registered form as provided in this ordinance, shall be negotiable instruments, shall express upon their faces the purpose for which they are issued, and shall be issued pursuant to Section 12, Article XVIII, of the Constitution of the State of Ohio.

SECTION 8. The rates and charges for all services and facilities rendered by the Plant shall be reasonable and just, taking into consideration the costs and value of said Plant and the cost of maintaining, repairing and operating the same and the amounts necessary for the retirement of the Bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirements of this section and the requirements of Section 6 hereof.

SECTION 9. The Village covenants and agrees so long as the Bonds hereby authorized remain unpaid as follows:

(a) It will comply with applicable state laws and the regulations and continually operate and maintain the Plant in good condition.

(b) No customer of the Plant, individual, corporation or municipality, shall receive free services or any service without being charged the rates prescribed in the rules and regulations of the Plant. The reasonable cost and value of any service rendered to the Village and its inhabitants by the Plant, including reasonable charges for public health benefits, shall be paid for monthly as such service accrues out of the current revenues of the Village, exclusive of the revenues derived from the Plant.

(c) It will maintain complete books and records relating to the operation of the Plant and its financial affairs and will cause such books and records to be audited biennially at the end of each fiscal year and an audit report prepared and will furnish to the United States of America so long as it is holder of any of the Bonds without request a copy of each audit report and will furnish any other holder of the Bonds a copy of such report upon written request. At all reasonable times the holders of any Bonds shall have the right to inspect the Plant and the records, accounts and data relating thereto.

(d) It will maintain such insurance coverage and otherwise comply with United States of America regulations as may be required by the United States of America so long as United States of America is the holder of any Bonds.

(e) It will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities, in connection with making extensions or improvements other than normal maintenance to the Plant, without obtaining the prior written consent of the United States of America so long as it is holder of any Bond, nor shall it transfer or use any portion of the revenue derived in the operation of the Plant for any purpose not herein specifically authorized.

The Village may issue additional parity bonds for the purpose of making a reasonable repair, replacement or extension of the Plant if the United States of America consents in writing so long as it is holder of any Bonds. Otherwise parity bonds may be issued upon written consent of the holders of at least one-half of the outstanding principal amount of Bonds of this issue.

The funds established herein shall be applied to all parity bonds issued pursuant to this section as if said bonds were part of the original Bond issue and all revenue from any such extension or replacement constructed by the proceeds of a parity bond issue shall be paid to the Revenue Fund mentioned in the this Ordinance and this provision shall be controlling over any provisions of this Ordinance to the contrary.

(f) Except as otherwise specifically provided, so long as any such Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said Plant shall be incurred or issued by

the Village unless the same shall be junior and subordinate in all respects to the Bonds herein authorized.

(g) So long as the United States of America is holder of any of the Bonds, if at any time it shall appear to the United States of America that the Village is able to refund, upon call for redemption or with consent of the United States of America, the then outstanding Bonds, held by it, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Village will, upon request of the United States of America, apply for and accept such loan in sufficient amount to repay the United States of America, and will take all such action as may be required in connection with such loan.

(h) It will not cause or permit any voluntary dissolution of its organization, merge or consolidate with any other municipality, dispose of or transfer its title to the Plant or any part thereof including lands and interest in lands, by sale, mortgage, lease or other encumbrance other than as provided in the Mortgage.

(i) Prior to the beginning of each fiscal year the Village will prepare an annual budget of said plant for the ensuing fiscal year itemized on the basis of monthly requirements. A copy of such budget shall be mailed without request to the United States of America as long as the United States of America is holder of any of the Bonds and upon written request of any other Bondholder.

(j) The provisions of this ordinance shall constitute a contract between the Village and the holders of any of the Bonds, and after the issuance of the Bonds this ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interest of the holders, nor shall this council adopt any law, ordinance or resolution in any way adversely affecting the rights of the holders so long as the Bonds or interest thereon remains unpaid.

(k) All of the obligations set forth and covenants made under this ordinance are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Issuer within the meaning of Section 2731.01 et seq. of the Ohio Revised Code.

SECTION 10. If there shall be default in the sinking fund provisions of this Ordinance or in the payment of principal of or interest of any of the Bonds, upon the filing of a suit by any holder of any of the Bonds any court having jurisdiction of the action may appoint a receiver to administer said Plant on behalf of the Village with power to charge and collect rates sufficient to provide for the payment of the Bonds and for the payment of operating expenses and to apply income and revenues in accordance with this Ordinance, the Mortgage and franchise on default granted therein and the laws of Ohio.

The Village hereby agrees to transfer to any bona fide receiver or other subsequent operator of the Plant pursuant to any valid court order in a proceeding brought to enforce

collection or payment of the obligations of the Village, a franchise not in excess of twenty (20) years as set forth in the hereinafter-defined Mortgage, all contracts and other rights of the Village conditionally for such time only as such receiver or operator shall operate by authority of the court.

Holders of twenty per cent (20%) of the outstanding Bonds in the event of default may require by mandatory injunction the raising of rates in a reasonable amount except as otherwise provided by law. The provisions of this Ordinance are subject to the laws of the State of Ohio and to the present and future regulations of the United States of America not inconsistent with the express provisions hereof so long as it is holder of any of the Bonds.

SECTION 11. The Village hereby grants to the holders of the Bonds or their representatives a mortgage upon all property, real, personal and mixed and revenue constituting the Plant of the Village, and hereby grants a franchise to the holders of the Bonds or their representatives or purchaser on foreclosure therefrom which shall extend for a period of twenty (20) years from the date of sale of such utility and franchise on foreclosure, all as contained in the First Mortgage dated of even date with the Bonds from the Village to the United States of America (the "Mortgage"). The Mayor and Clerk-Fiscal Officer of the Village are hereby authorized, empowered and directed to execute and attest the Mortgage by and on behalf of the Village in such form as approved by the United States of America.

SECTION 12. The Bonds shall be sold to the United States of America in accordance with its offer to purchase the same, which offer is hereby accepted.

SECTION 13. So long as the United States of America or any agency thereof is holder of any of the Bonds, the Village and this Ordinance shall be subject to the United States of America Loan Resolution relating to the Bonds, a copy of which is available for inspection at the office of the Village Clerk-Fiscal Officer.

SECTION 14. This council, for and on behalf of the Village, hereby covenants that it will restrict the use of the proceeds of the Bonds hereby authorized in such manner and to such extent, if any, and take such other actions as are necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations prescribed thereunder. The Village Clerk-Fiscal Officer, or any other officer having responsibility with respect to the appropriate certificate on behalf of the Village, on the date of delivery of the bonds for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder.

SECTION 15. The Bonds are hereby designated as "qualified tax-exempt obligations" to the extent permitted by Section 265(b)(3) of the Code. This council finds and determines that the reasonable anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Village during the calendar year does not and the council hereby covenants that, during such year, the amount of tax-exempt obligations issued by the Village and designated as "qualified tax-exempt obligations" for such purpose will not exceed

\$10,000,000. The Clerk-Fiscal Officer and other appropriate officers, and any of them, are authorized to take such actions and give such certifications on behalf of the Village with respect to the reasonably anticipated amount of tax-exempt obligations to be issued by the Village during this calendar year and with respect to such other matters as appropriate under Section 265(b)(3).

SECTION 16. It is 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 the law, including Section 121.22 of the Ohio Revised Code.

SECTION 17. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed, and each section of this ordinance is independent and the finding or holding of any section or subdivision hereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this ordinance.

SECTION 18. This ordinance is hereby declared to be an emergency measure necessary to protect the peace, health, safety and welfare of the inhabitants of the Village for the reason that immediate authorization of the Bonds is required to provide for the timely payment of lawful Plant expenses, and this Ordinance shall be in full force and effect at the earliest time permitted by law after its passage.

Passed: March 14, 2011



R. Gregory Adams, Mayor

ATTEST:



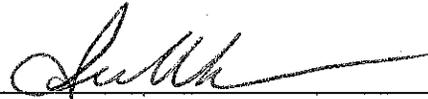
Sue Wilson, Fiscal Officer

Prepared by: Peck, Shaffer & Williams LLP

135685

CLERK'S CERTIFICATE AS TO AUTHENTICITY

I hereby certify that the foregoing is a true copy of the aforesaid Ordinance No. H-3-11-1, passed by the Council of the Village of New Concord, Ohio on March 14, 2011.

A handwritten signature in cursive script, appearing to read "Sue Wilson", written over a horizontal line.

Sue Wilson, Fiscal Officer

EXTRACT FROM MINUTES OF MEETING

The Council of the Village of New Concord, Ohio, met in regular session on the 14th day of March, 2011 with the following members present:

Present: Al Chaffee, Steve Kokovich, Brett Essex, Bill McCoach, Jordan Stewart,
Robert Dickson

Absent: N/A

There was presented and read to Council Ordinance No. H-3-11-1 entitled:

ORDINANCE AUTHORIZING THE ISSUANCE OF \$575,000 WASTEWATER TREATMENT PLANT IMPROVEMENT MORTGAGE REVENUE BONDS BY THE VILLAGE OF NEW CONCORD, OHIO, PURSUANT TO SECTION 12, ARTICLE XVIII OF THE OHIO CONSTITUTION FOR THE PURPOSE OF PAYING PART OF THE COSTS OF CONSTRUCTING IMPROVEMENTS TO THE VILLAGE'S WASTEWATER TREATMENT PLANT; PROVIDING FOR THE COLLECTION BY THE VILLAGE OF REVENUES FROM SAID SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE THEREOF; PROVIDING AN ADEQUATE RESERVE FUND THEREFOR PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE PAYMENT OF SAID BONDS; PROVIDING FOR THE SEGREGATION AND DISTRIBUTION OF SAID REVENUES; PROVIDING FOR A MORTGAGE OF SAID SYSTEM AND A LIEN ON THE REVENUES THEREOF TO SECURE SAID BONDS AND TO SECURE ANY ADDITIONAL PARITY BONDS WHICH MAY BE HEREAFTER AUTHORIZED; GRANTING OF A FRANCHISE UPON DEFAULT; AND FURTHER PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS IN ENFORCEMENT THEREOF; AND DECLARING AN EMERGENCY.

MCCOACH moved the rule requiring an ordinance or resolution of a general or permanent nature be read on three separate days be suspended. KOKOVICH seconded the motion, and the following was the result of a vote thereon (at least three-fourths of the members concurring):

AYES: **ALL VOTED YEA**

NAYS:

KOKOVICH then moved that Ordinance No. H-3-11-1 be adopted as read. MCCOACH seconded the motion, and the vote thereon resulted as follows (at least two-thirds of the members concurring):

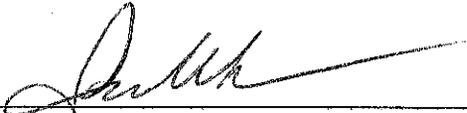
AYES: **ALL VOTED YEA**

NAYS:

The Ordinance was declared passed March 14, 2011.

CERTIFICATE

The undersigned, Clerk of Council of the Village of New Concord, Ohio hereby certifies that the foregoing is a true and correct extract of the minutes of a meeting of the Council of said Village, held on the 14th day of March, 2011.



Sue Wilson, Fiscal Officer

POSTING CERTIFICATE

The undersigned hereby certifies that copies of Ordinance No. H-3-11-1, passed by the council of the Village of New Concord, Ohio (the "Legislative Authority") on March 14, 2011, have been posted in five of the most public places in the Village as determined by the Legislative Authority, for a period of not less than fifteen days.



Sue Wilson, Fiscal Officer

Dated: March 14, 2011