

CERTIFICATE OF MEMBERSHIP

The undersigned, Village Clerk-Fiscal Officer of the Village of New Concord, Ohio, hereby certifies that the following were the officers of the Village and the members of Council during the period proceedings were taken authorizing the issuance of \$408,000 Subordinated Sanitary Sewerage System Mortgage Revenue Refunding Bonds:

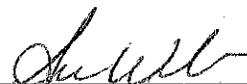
Mayor	<u>R. Gregory Adams</u>
Village Clerk-Fiscal Officer	<u>Sue Wilson</u>
Village Administrator	<u>John W. Huey</u>
Village Solicitor	<u>Scott D. Eickelberger</u>
Member of Council	<u>Al Chaffee</u>
Member of Council	<u>Bret Essex</u>
Member of Council	<u>Jordan Stewart</u>
Member of Council	<u>Bill McCoach</u>
Member of Council	<u>Steve Kokovich</u>
Member of Council	<u>Robert Dickson</u>



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Sue Wilson, Fiscal Officer

TRANSCRIPT CERTIFICATE

The undersigned, Village Clerk-Fiscal Officer, hereby certifies that the attached is a true and complete transcript of all proceedings relating to the authorization and issuance of the above-identified Bonds, and that all such proceedings were held in compliance with the law, including Section 121.22 of the Revised Code of Ohio.



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Sue Wilson, Fiscal Officer

VILLAGE OF NEW CONCORD, OHIO

**ORDINANCE NO. H-8-11-1**

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$408,000 OF BONDS OF THE VILLAGE OF NEW CONCORD, OHIO, FOR THE PURPOSE OF REFUNDING CERTAIN MORTGAGE REVENUE BONDS UTILIZED TO FINANCE CONSTRUCTION OF IMPROVEMENTS TO THE SANITARY SEWERAGE SYSTEM OF THE VILLAGE; PROVIDING FOR A MORTGAGE OF SAID SYSTEM; AND DECLARING AN EMERGENCY.

WHEREAS, on August 15, 1985, the Village of New Concord, County of Muskingum, Ohio (the "Village") issued its \$700,000 Sanitary Sewerage System First Mortgage Revenue Bonds (the "Prior Bonds"); and

WHEREAS, it is in the best financial interests of the Village to retire the entire outstanding principal amount of the Prior Bonds;

WHEREAS, this Council has previously determined that the period of usefulness of the improvements financed with the proceeds of the Prior Bonds is forty (40) years from their date of issuance; and

WHEREAS, this Council expects that the source of payment of debt charges on such bonds will be the net revenues of the Village's Sanitary Sewerage System and Wastewater Treatment Plant.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of New Concord, County of Muskingum, Ohio:

SECTION 1. That it is hereby declared necessary to issue bonds of the Village in the principal sum of not to exceed \$408,000 (the "Bonds"), for the purpose of retiring the outstanding principal amount of the Prior Bonds and paying certain costs of issuance of the Bonds, under authority of and pursuant to the general law of the State of Ohio, particularly Section 12 Article XVIII of the Ohio Constitution.

SECTION 2. That the Bonds shall (i) be issued in a principal amount not exceeding \$408,000 for the purpose aforesaid, (ii) be dated their date of issuance, (iii) be numbered from R-1 upwards in order of authentication by the Paying Agent and Registrar (as hereinafter defined), (iv) be of a denomination equal to the principal amount of the Bonds outstanding from time to time, (v) be issued as a single fully-registered Bond, without coupons, having principal payable in installments on the dates and in the amounts, provided that the total of the principal and interest payments on the Bonds in any fiscal year in which principal is payable shall be not more than three times the amount of such payments in any other fiscal year, and provided further that the final maturity of the Bonds shall be not later than fourteen (14) years following the date of initial delivery, (vi) bear interest payable on dates and at the rate of four and one-eighth per cent (4.125%) per annum, such interest to be calculated from the last interest payment date to which interest has been paid or if no interest has been paid, from the initial date of the Bonds, all

as determined by the Village Clerk-Fiscal Officer. The determinations made by the Village Clerk-Fiscal Officer pursuant to this ordinance as set forth in the Bonds shall be made without further action of this village council and shall be conclusive.

The Bonds shall be subject to redemption at the option of the Village in whole or in part at any time in inverse order of maturity at a price equal to the principal amount to be redeemed plus accrued interest to the date of redemption.

The Bonds shall be designated "Subordinated Sanitary Sewerage System Mortgage Revenue Refunding Bonds" or such other designation as the Village Clerk-Fiscal Officer may determine.

It is hereby determined by this village council that (i) the issuance of the Bonds as provided herein, including without limitation, the redemption provisions set forth above, are in the best interests of the Village, and (ii) the terms of the Bonds and the sale thereof, all as provided in this ordinance, are in compliance with all legal requirements.

SECTION 3. That the Bonds shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this ordinance. The Bonds shall be in fully registered form without coupons, may bear the seal of the Village, shall bear the signatures of the Mayor and the Village Clerk-Fiscal Officer, provided that such signatures may be facsimile signatures. The final principal payment of each Bond shall be payable upon presentation of the Bond at the office of the Village Clerk-Fiscal Officer, who is hereby designated to serve as the paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Bonds, and all other principal and interest thereon shall be payable on each interest payment date to the person whose name appears on the record date (being the fifteenth (15<sup>th</sup>) day immediately preceding each interest payment date) on the Bond registration records maintained by the Paying Agent and Registrar as the registered holder thereof, by check or draft mailed to such registered holder at his address as it appears on such registration records.

The Bonds 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 Village and the Paying Agent and Registrar shall not be required to transfer any Bond during the 15-day period preceding any interest payment date or preceding any selection of Bonds to be redeemed, or after such Bond has been selected for partial or complete redemption, and no such transfer shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon any transfer, a new Bond in a denomination equal to the then unpaid principal amount of the Bond surrendered will be issued to the transferee in exchange therefor; such Bond shall be dated as of (i) the last interest payment date to which interest has been paid, or (ii) if no interest has been paid, the initial date of the Bonds. Any transfer shall be without charge to the Bondholder, except that the Village and the Paying Agent and Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such transfer, and the Village and the Paying Agent and Registrar may require that any such charges be paid prior to commencing the procedure for the transfer of the Bond. Any Bond issued upon any transfer shall be the valid obligation of the Village, evidencing the same debt and entitled to the same benefits under this resolution as the Bond surrendered upon that transfer.

The Village and the Paying Agent and Registrar may deem and treat the registered holders of the Bonds as the absolute owners thereof for all purposes, and neither the Village nor the Paying Agent and Registrar shall be affected by any notice to the contrary.

The Bonds may be issued as one single Bond with provisions for mandatory redemption of principal.

SECTION 4. The revenues of the Sanitary Sewerage System and Wastewater Treatment Plant of the Village are hereby pledged for the payment of debt service on the Bonds. The Bonds do not represent or constitute a debt or pledge of the faith and credit of the Village, and are payable solely from the revenues pledged for their payment. The owners of the Bonds have no right to have any taxes levied by the Village or the State of Ohio or any subdivision thereof for the payment of the Bonds:

SECTION 5. That the Bonds shall be sold by the Village Clerk-Fiscal Officer without further action of this village council to The Community Bank, Zanesville, Ohio (the "Original Purchaser"), at not less than 100% of the principal amount thereof plus accrued interest to the date of delivery. The Mayor, the Village Clerk-Fiscal Officer and other appropriate officers of the Village, and each of them individually, is hereby authorized and directed to make the necessary arrangements with the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Bonds to the Original Purchaser, to give all appropriate notices and certificates and to take all steps necessary to effect the due execution and delivery of the Bonds pursuant to the provisions of the purchase agreement. The proceeds from the sale of the Bonds, except any premium and accrued interest received, shall be deposited in an appropriate fund and used for the purpose aforesaid and for no other purpose and for which purpose such proceeds are hereby appropriated. Any premium and accrued interest received from such sale shall be transferred to the bond retirement fund to be applied to the payment of the principal and interest of the Bonds in the manner provided by law.

SECTION 6. That this village council 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, as may be 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, including any expenditure requirements, investment limitations or rebate requirements. Without limiting the generality of the foregoing, the Village represents and covenants that no portion of the improvements financed with the proceeds of the Bonds shall be used directly or indirectly in the trade or business of any person that is not an "exempt person" within the meaning of the Code. The Village Clerk-Fiscal Officer or any other officer having responsibility with respect to the issuance of the Bonds is authorized and directed to give an 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 the Code and regulations thereunder.

SECTION 7. That the Bonds are hereby designated as "qualified tax-exempt obligations" to the extent permitted by Section 265(b)(3) of the Code. This village 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 in which the Bonds are issued does not and this 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 Village 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 8. That 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 Sanitary Sewerage System and Wastewater Treatment Plant (the "System") 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 Subordinated Mortgage, dated of even date with the Bonds from the Village to The Community Bank. Such mortgage shall be subordinate and junior in all respects to the mortgage granted by the Village to the United States of America (Department of Agriculture Rural Development) on the System relating to the Village's \$575,000 Wastewater Treatment Plant Mortgage Revenue Bonds, dated May 6, 2011. The written consent of the United States of America, as required by Section 9(e) of Village Ordinance No. H-3-11-1, shall be obtained as a condition to issuing the bonds. The Mayor and Clerk-Fiscal Officer of the Village are hereby authorized, empowered and directed to execute and attest to the Mortgage by and on behalf of the Village.

SECTION 9. That it is found and determined that all formal actions of this village council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this village council, and that all deliberations of this village 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 Revised Code of Ohio.

SECTION 10. That 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 11. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety or welfare for the reason that the public peace, health, safety and welfare of the inhabitants of the Village require the immediate issuance of the Bonds to support contracts relative to the Project in a timely manner, and therefore, this ordinance shall take effect immediately upon its passage.

PASSED: August 1, 2011

al Chaffee  
Al Chaffee, President of Council

APPROVED: August 1, 2011

R. Gregory Adams  
R. Gregory Adams, Mayor

ATTEST;

Sue Wilson  
Sue Wilson, Fiscal Officer

CLERK'S CERTIFICATE AS TO AUTHENTICITY

The undersigned hereby certifies that the foregoing is a true and correct copy of Ordinance No. H-8-11-1 passed by the Council of the Village of New Concord, Ohio, in session on August 1, 2011.



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Sue Wilson, Fiscal Officer

Dated: August 1, 2011

**EXTRACT FROM MINUTES OF MEETING**

The Council of the Village of New Concord, Ohio, met in special session at 5:30 p.m. on August 1, 2011 at Village Hall, New Concord, Ohio with the following members present:

Brett Essex, Al Chaffee, Jordan Stewart, Robert Dickson, Steve Kokovich

Absent: Bill McCoach

There was presented and read to Council Ordinance No. H-8-11-1 entitled:

**ORDINANCE NO. H-8-11-1**

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$408,000 OF BONDS OF THE VILLAGE OF NEW CONCORD, OHIO, FOR THE PURPOSE OF REFUNDING CERTAIN MORTGAGE REVENUE BONDS UTILIZED TO FINANCE CONSTRUCTION OF IMPROVEMENTS TO THE SANITARY SEWERAGE SYSTEM OF THE VILLAGE; PROVIDING FOR A MORTGAGE OF SAID SYSTEM; AND DECLARING AN EMERGENCY.

Kokovich moved the rule requiring an ordinance or resolution of a general or permanent nature be read on three separate days be suspended as to Ordinance No. H-8-11-1

Dickson seconded the motion, and the following was the result of a vote thereon (at least three-fourths of the members concurring):

AYES: Chaffee, Dickson, Essex, Kokovich, Stewart

NAYS: None

Dickson then moved that Ordinance No. H-8-11-1 be adopted as read. Kokovich seconded the motion, and the vote thereon resulted as follows (at least two-thirds of the members concurring):

AYES: Chaffee, Dickson, Essex, Kokovich, Stewart

NAYS: None

The ordinance was declared passed August 1, 2011.

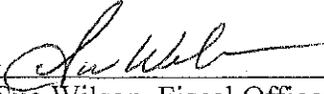
**CERTIFICATE**

The undersigned, Village Clerk-Fiscal Officer of the Village of New Concord, hereby certifies that the foregoing is a true and correct extract from the minutes of a meeting of the Council of said Village, held on August 1, 2011, to the extent pertinent to consideration and passage of the above-entitled legislation.

  
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Sue Wilson, Fiscal Officer

**POSTING CERTIFICATE**

The undersigned hereby certifies that copies of Ordinance No. H-8-11-1, passed by the council of the Village of New Concord, Ohio (the "Legislative Authority") on August, 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.

  
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Sue Wilson, Fiscal Officer

Dated August 1, 2011