

VILLAGE OF WARSAW, OHIO

ORDINANCE NO. 2011-03

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$11,530 OF BONDS FOR THE PURPOSE OF PAYING PART OF THE COST OF ACQUIRING A MOWER AND RELATED EQUIPMENT, AND DECLARING AN EMERGENCY.

WHEREAS, this village council has heretofore by proper legislation declared the necessity of acquiring a mower and related equipment (the "Project"); and

WHEREAS, the fiscal officer of this municipality has heretofore estimated that the life of the improvements constituting the Project is at least five (5) years, and certified that the maximum maturity of the bonds issued therefor is ten (10) years; and

WHEREAS, Ohio Heritage Bank, with its office in Coshocton, Ohio (the "Bank") is willing to purchase such bonds from this municipality upon the terms set forth herein; and

WHEREAS, this village council expects the debt service charges on the bonds authorized hereby will be the general revenues of the Village (the "Revenues");

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Warsaw (hereinafter called the "Municipality"), County of Coshocton, Ohio:

SECTION 1. That it is necessary to issue and sell bonds of the Municipality in the principal sum of \$11,530 (the "Bonds") for the purpose of paying part of the cost of the Project, including costs related to the issuance of the Bonds, under authority of and pursuant to the general laws of the State of Ohio, particularly Chapter 133 of the Ohio Revised Code. It is hereby determined that notes shall not be issued in anticipation of the Bonds.

SECTION 2. That the Bonds shall be issued in such principal amount for the purpose aforesaid. The Bonds shall (i) be dated as determined by the Village Fiscal Officer, (ii) be numbered from R1 upwards in order of issuance, (iii) be of such denominations as determined by the Village Fiscal Officer, (iv) mature or be subject to mandatory sinking fund redemption on such dates and in such amounts as determined by the Village Fiscal Officer, provided that the total principal and interest payments on the Bonds shall be substantially equal, and provided further that the final maturity of the Bonds shall be not later than December 31, 2015, and (v) bear interest at the rate of three (3%) per annum, calculated on the basis of a 360-day year comprised of twelve 30-day months or such other basis as may be determined by the Village Fiscal Officer, and payable on such dates as determined by the Village Fiscal Officer. The determinations

made by the Village Fiscal Officer pursuant to this ordinance shall be made without further action of this village council, shall be set forth in the Bonds and shall be conclusive.

The Bonds shall be subject to optional redemption prior to maturity at the option of the Municipality at any time in whole or in part, in such order of maturity as the Municipality shall determine, at par plus accrued interest to the date of redemption. Notice of redemption shall be given by the Paying Agent and Registrar (as hereinafter defined) on behalf of the Municipality by mailing a copy of the redemption notice by certified mail, return receipt requested, at least 10 days prior to the date fixed for redemption, to the registered holder of each Bond subject to redemption in whole or in part at such registered holder's address shown on the Bond registration records on the fifteenth day preceding that mailing. Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond. Notice having been mailed in the manner provided above, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date and on such redemption date, interest on such Bonds or portions thereof so called shall cease to accrue.

The Bonds shall be designated "Equipment Bonds, Series 2011".

It is hereby determined by this village council that the issuance of the Bonds provided herein, including without limitation, the redemption provisions set forth above, are in the best interests of the Municipality.

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 Municipality, shall bear the signatures of the Mayor or Village Administrator and the Village Fiscal Officer, provided that either or both of such signatures and such seal may be facsimiles. The Bonds shall bear the manual authenticating signature of the Village Fiscal Officer serving as, or of an authorized representative of a bank or trust company determined by the Village Fiscal Officer to serve as, the paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Bonds. Unless otherwise acceptable to the purchaser of the Bonds, the principal amount of each Bond shall be payable at the principal office of the Paying Agent and the Registrar and interest thereon shall be made on each interest payment date to the person whose name appears on the record date (as determined by the Village Fiscal Officer) on the Bond registration records 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 Municipality and the Paying Agent and Registrar shall not be required to transfer any Bond during the 15day 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 such transfer, a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount shall be issued to the transferee in exchange therefor.

The Municipality 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 Municipality nor the Paying Agent and Registrar shall be affected by any notice to the contrary.

SECTION 4. That for the payment of the Bonds and the interest thereon, the full faith, credit, and revenue of the Municipality are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the interest on the Bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the Bonds at maturity or upon mandatory sinking fund redemption, there shall be and is hereby levied on all the taxable property in the Municipality, within applicable limitations, in addition to all other taxes, a direct tax annually during the period the Bonds are to run in an amount sufficient to provide funds to pay interest upon the Bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the Bonds as it matures, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio; provided, that in each year to the extent that the Revenues or moneys from other sources are available for the payment of debt service on the Bonds and are appropriated for such purpose, the amount of such property tax shall be reduced by the amount of the Revenues or such moneys so available and appropriated. Said property tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said property tax shall be placed before and in preference to all other items and for the full amount thereof.

The Revenues to be applied to debt service on the Bonds and the funds derived from said property tax hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest on and the principal of the Bonds when and as the same shall fall due.

SECTION 5. That the Bonds are hereby sold and awarded to the Bank at not less than 100% of the principal amount thereof plus accrued interest to the date of delivery, in accordance with its offer to purchase which is hereby accepted. The proceeds from the sale of the Bonds, except as 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. The Village 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 Municipality 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 7. That the Bonds are hereby designated as “qualified taxexempt 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 taxexempt obligations (other than private activity bonds) which will be issued by the Municipality during this calendar year does not and the Board hereby covenants that, during such year, the amount of taxexempt obligations issued by the Municipality and designated as “qualified taxexempt obligations” for such purpose will not exceed \$10,000,000. The Village Fiscal Officer and other appropriate officers, and any of them, are authorized to take such actions and give such certifications on behalf of the Municipality with respect to the reasonably anticipated amount of taxexempt obligations to be issued by the Municipality during this calendar year and with respect to such other matters as appropriate under Section 265(b)(3).

SECTION 8. That the Village Fiscal Officer is hereby authorized to execute and deliver an agreement with the Paying Agent and Registrar for its services as paying agent, registrar and transfer agent for the Bonds in such form as such officer may approve, the execution thereof by such officer to be conclusive evidence of such authorization and approval.

SECTION 9. That Peck, Shaffer & Williams, LLP, attorneys, be and are hereby retained as bond counsel to the Municipality with respect to the issuance of the Bonds to prepare the necessary authorizing documents, and related closing documents for the issuance of the Bonds and, if appropriate, rendering its approving legal opinion in connection therewith.

SECTION 10. That the Village Fiscal Officer is hereby directed to forward a certified copy of this ordinance to the county auditor of each county in which any part of the Municipality is located.

SECTION 11. 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 12. That this ordinance is hereby declared to be an emergency measure for the reason that the public peace, health, safety and welfare of the inhabitants of the Municipality require the immediate issuance of the Bonds to provide for the orderly financing of the Project and to allow the Project to be acquired at the earliest possible time, and shall take effect immediately upon its passage.

PASSED May 18, 2011

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Presiding Officer

ATTEST:

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Village Fiscal Officer