

EMERGENCY ORDINANCE NO. 6 -07  
CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMEMBER Doug Cline ON THE 18<sup>th</sup> DAY  
OF June, 2007.

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF (A) SERIES 2007A BONDS HAVING A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE PURPOSES OF (I) FINANCING THE ACQUISITION AND CONSTRUCTION OF CERTAIN "HOSPITAL FACILITIES" INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS CONSTITUTING "HOSPITAL FACILITIES" AT THE BETHANY LUTHERAN VILLAGE CONTINUING CARE FACILITY RETIREMENT COMMUNITY, CONSTRUCTION OF NEW ROADS AND PARKING AREAS, AND OTHER RELATED IMPROVEMENTS AND FURNISHINGS, (II) FUNDING A DEBT SERVICE RESERVE FUND FOR THE SERIES 2007A BONDS, (III) FUNDING CAPITALIZED INTEREST FOR THE PAYMENT OF INTEREST ON THE SERIES 2007A BONDS, AND (IV) PAYING COSTS OF ISSUANCE OF THE SERIES 2007A BONDS; AND (B) SERIES 2007B BONDS HAVING A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE PURPOSES OF (I) FINANCING THE ACQUISITION AND CONSTRUCTION OF CERTAIN "HOSPITAL FACILITIES" INCLUDING THE CONSTRUCTION, EXPANSION, RENOVATION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS CONSTITUTING "HOSPITAL FACILITIES" AT THE BETHANY LUTHERAN VILLAGE CONTINUING CARE FACILITY RETIREMENT COMMUNITY, CONSTRUCTION OF NEW ROADS AND PARKING AREAS, AND OTHER RELATED IMPROVEMENTS AND FURNISHINGS, (II) REFINANCING ALL OR A PORTION OF ITS HEALTH CARE VARIABLE RATE DEMAND REVENUE BONDS, SERIES 1993 (BETHANY LUTHERAN VILLAGE CONTINUING CARE FACILITY EXPANSION PROJECT) AND ITS HEALTH CARE VARIABLE RATE DEMAND REVENUE BONDS, SERIES 1994 (BETHANY LUTHERAN VILLAGE CONTINUING CARE FACILITY EXPANSION PROJECT), (III) FUNDING CAPITALIZED INTEREST AND CERTAIN OTHER

EXPENSES ON THE SERIES 2007B BONDS, AND (IV) PAYING COSTS OF ISSUANCE OF THE SERIES 2007B BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF (1) WITH RESPECT TO THE SERIES 2007A BONDS, THE LEASE, THE SERIES 2007A ASSIGNMENT OF RIGHTS UNDER A LEASE, THE ASSIGNMENT, THE BOND INDENTURE, THE SERIES 2007A BOND PURCHASE AGREEMENT AND OTHER RELATED DOCUMENTS AND (2) WITH RESPECT TO THE SERIES 2007B BONDS, THE SECOND AMENDMENT TO LEASE AGREEMENT, THE SECOND SUPPLEMENTAL TRUST INDENTURE, THE SERIES 2007B ASSIGNMENT OF RIGHTS UNDER A LEASE, THE SECOND SUPPLEMENTAL ASSIGNMENT OF LEASE AND LEASE PAYMENTS, THE ESCROW AGREEMENT, THE SERIES 2007B BOND PURCHASE AGREEMENT AND OTHER RELATED DOCUMENTS; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Ordinance No. 4-88 passed on May 16, 1988 (the "1988 Bond Ordinance"), this Council authorized Health Care Variable Rate Demand Revenue Bonds, Series 1988 (the "Series 1988 Bonds"), in the aggregate principal amount of \$12,500,000 for the purpose of paying costs of constructing improvements of the Bethany Lutheran Village Continuing Care Facility Retirement Community and all necessary appurtenances (the "Bethany Village Original Purpose"); and

WHEREAS, pursuant to Ordinance No. 22-93 passed on November 15, 1993 (the "1993 Bond Ordinance"), this Council authorized Health Care Variable Rate Demand Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), in the aggregate principal amount of \$4,750,000, and its Health Care Variable Rate Demand Revenue Bonds, Series 1994 (the "Series 1994 Bonds"), in the aggregate principal amount of \$5,500,000 for the purpose of paying costs of acquiring, constructing, installing, equipping and financing improvements of the Bethany Lutheran Village

Continuing Care Facility Retirement Community and all necessary appurtenances (the “Bethany Village Expansion Purpose”); and

WHEREAS, the City of Centerville, Ohio, a municipal corporation and political subdivision in and of the State of Ohio, is authorized and empowered, by virtue of the laws of the State of Ohio, including, without limitation, Chapter 140, Ohio Revised Code (the “Act”), to (a) issue its Health Care Fixed Rate Revenue Bonds, Series 2007A (Bethany Lutheran Village Continuing Care Facility Expansion Project) (the “Series 2007A Bonds”) having a maximum aggregate principal amount not to exceed \$40,000,000 for the purposes of (i) financing the acquisition, construction and installation of certain “hospital facilities” (as defined in Section 140.01 of the Ohio Revised Code), including a portion of the construction, expansion, renovation and equipping of various capital projects constituting “hospital facilities” at the Bethany Lutheran Village Continuing Care Facility retirement community located at 6451 Far Hills Avenue, Centerville, Ohio, including the construction of a new building to house the Bethany Village Memory Support Center with 56 replacement nursing home beds; construction of the Bethany Village Villas with 30 new two-bedroom units; construction of the Bethany Village Park Ridge Place, a three story building with 30 new two-bedroom independent living apartments and two levels of below grade parking; construction of the Village Center containing an auditorium, fitness facilities, classrooms and activity spaces; renovation of the Bethany Village Tower to replace exterior cladding, windows, heating and air conditioning and convert four floors to qualify for licensure as assisted living; construction of new roads and parking areas, including redirection of main entry boulevard and other site work; and other related improvements and furnishings (the “Bethany Village Project”), (ii) funding a debt service reserve fund for the Series 2007A Bonds,

(iii) funding capitalized interest for the payment of interest on the Series 2007A Bonds, and (iv) paying costs of issuance of the Series 2007A Bonds; (b) issue its Health Care Variable Rate Demand Revenue Bonds, Series 2007B (Bethany Lutheran Village Continuing Care Facility Expansion Project) (the "Series 2007B Bonds") having a maximum aggregate principal amount not to exceed \$30,000,000 for the purposes of (i) financing a portion of the Bethany Village Project, (ii) refinancing all or a portion of its Series 1993 Bonds and its Series 1994 Bonds (collectively, the "Refunded Bonds"), (iii) funding capitalized interest and certain other expenses on the Series 2007B Bonds, and (iv) paying costs of issuance of the Series 2007B Bonds, (c) with respect to the Series 2007A Bonds, (i) acquire the Series 2007A Project, as defined in the Bond Indenture, and enter into a lease agreement to provide for the lease of the Series 2007A Project and to provide for rental payments constituting "hospital receipts", as defined in Section 140.01(G), Ohio Revised Code, sufficient to pay the principal of, and the interest and premium, if any, on those Series 2007A Bonds, (ii) secure those Series 2007A Bonds by a trust indenture, as provided herein, (d), with respect to the Series 2007B Bonds, (i) acquire the Series 2007B Project, as defined in the Second Supplemental Trust Indenture, and enter into a second amendment to lease agreement to provide for the lease of the Series 2007B Project and to provide for rental payments constituting "hospital receipts", as defined in Section 140.01(G), Ohio Revised Code, sufficient to pay the principal of, and the interest and premium, if any, on those Series 2007B Bonds, (ii) secure those Series 2007B Bonds by a trust indenture and a second supplemental trust indenture thereto, as provided herein, and (e) enact this Bond Legislation and to enter into the Bond Indenture, the Second Supplemental Trust Indenture, the Series 2007A Bond Purchase Agreement, the Series 2007B Bond Purchase Agreement, the Lease, the Second Amendment to Lease Agreement, the

Series 2007A Assignment of Rights Under A Lease, the Series 2007B Assignment of Rights Under A Lease, the Assignment, the Second Supplemental Assignment of Lease and Lease Payments and the Escrow Agreement, all as hereinafter defined, upon the terms and conditions provided herein and therein; and

WHEREAS, Graceworks Lutheran Services is an Ohio nonprofit corporation qualified to do business in the State of Ohio and is the operator of the “hospital facilities” at the Bethany Lutheran Village Continuing Care Facility retirement community located at 6451 Far Hills Avenue, the acquisition, construction, renovation and equipping of a portion of which were financed with the proceeds of the Series 1988 Bonds, the Series 1993 Bonds and the Series 1994 Bonds; and

WHEREAS, Graceworks Lutheran Services has requested that the City issue the Series 2007A Bonds and the Series 2007B Bonds as its revenue bonds pursuant to the Act; and

WHEREAS, based solely on the representations of Graceworks Lutheran Services, it is hereby determined by this Council that undertaking the Series 2007A Project and the Series 2007B Project (collectively, the “Series 2007 Project”), including the financing thereof, will require the issuance, sale and delivery of Series 2007A Bonds in the principal amount not to exceed \$40,000,000 and Series 2007B Bonds in the principal amount not to exceed \$30,000,000 (collectively, the Series 2007 Bonds), on a parity with the Series 1988 Bonds, all of which Bonds shall be equally and ratably payable and secured as provided herein and in the Indenture and the Master Trust Indenture.

NOW, THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY ORDAINS:

Section 1. Emergency Ordinance. This Council hereby declares that an emergency exists affecting the public welfare, in that the Series 2007 Bonds authorized by this emergency Ordinance (the "Bond Legislation") must be sold without delay in order to make funds immediately available to enable the City to issue and sell the Series 2007 Bonds, which is necessary to enable the City and Graceworks Lutheran Services to take advantage of favorable market conditions and to sell the Series 2007 Bonds in the most cost effective manner and to provide needed facilities for the preservation of the public health, safety and welfare of residents of the City.

Section 2. Definitions. Except when the context indicates otherwise or unless otherwise defined herein, the terms used but not defined herein shall have the meaning ascribed to them in (a) with respect to the Series 2007B Bonds, the Second Supplemental Trust Indenture between the City and the Bond Trustee (the "Second Supplemental Trust Indenture") and (b) with respect to the Series 2007A Bonds, the Bond Indenture between the City and the Bond Trustee (the "Bond Indenture").

Section 3. Authorization of Series 2007A Bonds and the Series 2007B Bonds. This Council finds and determines that it is necessary to issue, sell and deliver, as provided and authorized herein and pursuant to the Constitution and laws of the State, including the Act, its (a) Health Care Fixed Rate Revenue Bonds, Series 2007A (Bethany Lutheran Village Continuing Care Facility Expansion Project) having a maximum aggregate principal amount not to exceed \$40,000,000 for the purposes of (i) financing the acquisition, construction and installation of certain "hospital facilities" (as defined in Section 140.01 of the Ohio Revised Code), including the construction, expansion, renovation and equipping of various capital projects constituting

“hospital facilities” at the Bethany Lutheran Village Continuing Care Facility retirement community located at 6451 Far Hills Avenue, Centerville, Ohio, including the construction of a new building to house the Bethany Village Memory Support Center with 56 replacement nursing home beds; construction of the Bethany Village Villas with 30 new two-bedroom units; construction of the Bethany Village Park Ridge Place, a three story building with 30 new two-bedroom independent living apartments and two levels of below grade parking; construction of the Village Center containing an auditorium, fitness facilities, classrooms and activity spaces; renovation of the Bethany Village Tower to replace exterior cladding, windows, heating and air conditioning and convert four floors to qualify for licensure as assisted living; construction of new roads and parking areas, including redirection of main entry boulevard and other site work; and other related improvements and furnishings (the Bethany Village Project), (ii) funding a debt service reserve fund for the Series 2007A Bonds, (iii) funding capitalized interest for the payment of interest on the Series 2007A Bonds, and (iv) paying costs of issuance of the Series 2007A Bonds and (b) Health Care Variable Rate Demand Revenue Bonds, Series 2007B (Bethany Lutheran Village Continuing Care Facility Expansion Project) having a maximum aggregate principal amount not to exceed \$30,000,000 for the purposes of (i) financing the Bethany Village Project, (ii) refinancing all or a portion of its Series 1993 Bonds and its Series 1994 Bonds, (iii) funding capitalized interest and certain other expenses on the Series 2007B Bonds, and (iv) paying costs of issuance of the Series 2007B Bonds.

This City Council, as the “applicable elected representative” of the City for purposes of Section 147(f) of the Code, hereby signifies its approval of the Series 2007A Bonds and the Series 2007B Bonds in the maximum amounts and for the purposes specified above.

Section 4. Determinations By City Council. The City Council hereby determines, based solely on the representations of Graceworks Lutheran Services:

(a) that the City is a “public hospital agency” as defined in Section 140.01(B), Ohio Revised Code; that Graceworks Lutheran Services is a “nonprofit hospital agency” as defined in Section 140.01(C), Ohio Revised Code; that the Series 2007 Project is “hospital facilities” as defined in Section 140.01(E), Ohio Revised Code; that the City has the authority to acquire title to the Series 2007 Project pursuant to Section 140.03(B)(1), Ohio Revised Code; and that the City may lease the Series 2007 Project pursuant to Section 140.05(E), Ohio Revised Code;

(b) that the actions authorized by this Bond Legislation will serve the public purpose of better providing for the health and welfare of the people of the State and the residents of the City by enhancing the availability, efficiency and economy of “hospital facilities” and the services rendered thereby and of providing efficient operation of “hospital facilities” to provide health care services to the residents of the Issuer which are available to the general public without discrimination by reason of race, creed, color or national origin; and

(c) that the Bond Indenture, Second Supplemental Trust Indenture, Series 2007A Bond Purchase Agreement, Series 2007B Bond Purchase Agreement, Lease, Second Amendment to Lease Agreement, Series 2007A Assignment of Rights Under A Lease, Series 2007B Assignment of Rights Under A Lease, Assignment, Second Supplemental Assignment of Lease and Lease Payments and Escrow Agreement provided for in Sections 6, 11 and 12 hereof will promote the public purpose set forth in subsection (b) above and in Section 140.02 of the Ohio Revised Code, are authorized under Sections 140.03 and 140.05 of the Ohio Revised Code, and the execution and delivery thereof will duly benefit the Issuer.



Section 5. Terms and Provisions of the Series 2007 Bonds.

(a) Series 2007A Bonds.

(i) General. The Series 2007A Bonds shall be issued and secured under the terms of the Bond Indenture. The Series 2007A Bonds shall be (A) designated "Health Care Fixed Rate Revenue Bonds, Series 2007A (Bethany Lutheran Village Continuing Care Facility Expansion Project)", (B) issued only in fully registered form, substantially as set forth in Exhibit A to the Bond Indenture, (C) numbered in such manner as determined by the Manager of the City of Centerville, Ohio (the "City Manager") and the Director of Finance of the City of Centerville, Ohio (the "Fiscal Officer") to distinguish each Series 2007A Bond from any other Series 2007A Bond, (D) dated as of the date of the issuance and delivery of the Series 2007A Bonds, (E) bear interest payable semi-annually on May 1 and November 1, commencing November 1, 2007, (F) signed by the City Manager and by the Fiscal Officer, provided that one or both of such signatures may be a facsimile, and (G) in the denominations of \$5,000 or any integral multiple thereof.

(ii) Principal Maturities and Interest Rates. The Series 2007A Bonds shall mature on November 1 in the years and in the principal amounts to be determined by the Fiscal Officer in the certificate awarding the Series 2007A Bonds (the "Series 2007A Certificate of Award"); provided that the first principal payment date shall not be earlier than May 1, 2011 and not later than November 1, 2012 and provided that the last principal payment date shall not be later than November 1, 2040. The Series 2007A Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their dated date, at the rates per annum to be

determined by the Fiscal Officer in the Series 2007A Certificate of Award; provided that all Series 2007A Bonds of any one maturity shall bear the same rate of interest.

(iii) Mandatory Sinking Fund Redemption. The Series 2007A Bonds of one or more maturities may be subject to mandatory redemption prior to maturity, in accordance with the mandatory sinking fund requirements of the Bond Indenture, on the dates and in the amounts to be determined by the Fiscal Officer in the Series 2007A Certificate of Award.

(iv) Optional Redemption. The Series 2007A Bonds shall be subject to optional redemption prior to maturity, in accordance with the provisions of the Bond Indenture, on the dates, in the years and at the redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date, to be determined by the Fiscal Officer in the Series 2007A Certificate of Award; provided that the earliest optional redemption date for Series 2007A Bonds shall not be later than November 1, 2018 and the redemption price for the earliest optional redemption date shall not be greater than 103%.

The Series 2007A Bonds shall be initially issued in the name of The Depository Trust Company ("DTC") or its nominee, as registered owner, immobilized in the custody of DTC or its designated agent, and shall be transferable or exchangeable in accordance with the Bond Indenture.

(b) Series 2007B Bonds.

(i) General. The Series 2007B Bonds shall be issued and secured under the terms of the Second Supplemental Trust Indenture. The Series 2007B Bonds shall be (A)

designated “Health Care Variable Rate Demand Revenue Bonds, Series 2007B (Bethany Lutheran Village Continuing Care Facility Expansion Project)”, (B) issued only in fully registered form, substantially as set forth in Exhibit A to the Second Supplemental Trust Indenture, (C) numbered in such manner as determined by the City Manager and the Fiscal Officer to distinguish each Series 2007B Bond from any other Series 2007B Bond, (D) dated as of the date of the issuance and delivery of the Series 2007B Bonds, (E) bear interest payable on each interest payment date identified in the Second Supplemental Trust Indenture, (F) signed by the City Manager and by the Fiscal Officer, provided that one or both of such signatures may be a facsimile, and (G) in the denominations of \$5,000 or any integral multiple thereof with a minimum denomination of \$100,000.

(ii) Principal Maturities and Interest Rates. The Series 2007B Bonds shall mature on November 1 in the years and in the principal amounts to be determined by the Fiscal Officer in the certificate awarding the Series 2007B Bonds (the “Series 2007B Certificate of Award”); provided that the first principal payment date shall not be earlier than November 1, 2007 and not later than November 1, 2008 and provided that the last principal payment date shall not be later than November 1, 2040. The Series 2007B Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their dated date initially payable monthly on the first Business Day of each month. The Series 2007B Bonds shall initially bear interest for a Weekly Rate Period, as described in the Second Supplemental Trust Indenture, provided that the initial net interest cost with respect to the Series 2007B Bonds shall not be in excess of 12%.

(iii) Mandatory Redemption and Purchase. The Series 2007B Bonds of one or more maturities may be subject to mandatory redemption and purchase prior to maturity, in accordance with the terms of the Second Supplemental Trust Indenture and the Series 2007B Certificate of Award.

(iv) Optional Redemption and Tender. The Series 2007B Bonds shall be subject to optional redemption and tender prior to maturity, in accordance with the provisions of the Second Supplemental Trust Indenture and the Series 2007B Certificate of Award.

The Series 2007B Bonds shall be initially issued in the name of The Depository Trust Company (“DTC”) or its nominee, as registered owner, immobilized in the custody of DTC or its designated agent, and shall be transferable or exchangeable in accordance with the Trust Indenture.

Section 6. Sale of the Series 2007 Bonds; Disclosure Statement.

(a) The Series 2007 Bonds are awarded and sold to A.G. Edwards & Sons, Inc. (the “Original Purchaser”) in accordance with the terms of this Bond Legislation, the Series 2007A Bond Purchase Agreement, the Series 2007B Bond Purchase Agreement and the Series 2007A Certificate of Award and Series 2007B Certificate of Award (collectively, the “Certificates of Award”) at a purchase price of not less than 98% of the aggregate principal amount of the Series 2007 Bonds. The purchase price may be allocated among the Series 2007 Bonds as determined by the Fiscal Officer in the Certificates of Award.

The Fiscal Officer is authorized and directed to determine the terms and provisions of the Series 2007A Bonds and the sale of the Series 2007A Bonds in accordance with the provisions of

this Bond Legislation and the Series 2007A Certificate of Award. Those determinations shall include the aggregate principal amount of the Series 2007A Bonds, the purchase price for the Series 2007A Bonds, the interest rates to be borne by the Series 2007A Bonds and the redemption provisions applicable to the Series 2007A Bonds. The Fiscal Officer in the Series 2007A Certificate of Award may determine such other matters regarding the Series 2007A Bonds as permitted by this Bond Legislation, the Bond Indenture and the Act.

The Fiscal Officer is authorized and directed to determine the terms and provisions of the Series 2007B Bonds and the sale of the Series 2007B Bonds in accordance with the provisions of this Bond Legislation and the Series 2007B Certificate of Award. Those determinations shall include the aggregate principal amount of the Series 2007B Bonds, the purchase price for the Series 2007B Bonds, the initial interest rate to be borne by the Series 2007B Bonds, the redemption, purchase and tender provisions applicable to the Series 2007B Bonds and the date for redemption of the Refunded Bonds. The Fiscal Officer in the Series 2007B Certificate of Award may determine such other matters regarding the Series 2007B Bonds as permitted by this Bond Legislation, the Second Supplemental Trust Indenture and the Act.

The Fiscal Officer is also hereby authorized and directed to execute and deliver on behalf of the City the Series 2007A Bond Purchase Agreement and the Series 2007B Bond Purchase Agreement, each between the City and the Original Purchaser and each in substantially the form now on file with the Clerk. Those forms are hereby approved with such changes therein as are not inconsistent with this Bond Legislation and not materially adverse to the City as may be permitted by the Act and shall be approved by the officers of the City executing the Series 2007A Bond Purchase Agreement and the Series 2007B Bond Purchase Agreement. The approval of any

changes, and that such changes are not materially adverse to the City, shall be conclusively evidenced by the execution of the Series 2007A Bond Purchase Agreement and the Series 2007B Bond Purchase Agreement by the City Manager and the Fiscal Officer. The City Manager and the Fiscal Officer are authorized to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of each series of the Series 2007 Bonds to the Original Purchaser. Those officers are further authorized to take all actions necessary to effect due execution, authentication and delivery of the Series 2007 Bonds under the terms of this Bond Legislation, the Certificates of Award, the Series 2007A Bond Purchase Agreement, the Series 2007B Bond Purchase Agreement, the Bond Indenture and the Second Supplemental Trust Indenture.

It is determined by this Council that the purchase price for and the terms of the Series 2007 Bonds, and the sale thereof, all as provided in this Bond Legislation, the Certificates of Award, the Series 2007A Bond Purchase Agreement, the Series 2007B Bond Purchase Agreement, the Bond Indenture and the Second Supplemental Trust Indenture, are in the best interest of the City and Graceworks Lutheran Services and are in compliance with all legal requirements.

The use and distribution of the preliminary official statement relating to the original issuance of the Series 2007 Bonds substantially in the form now on file with the Clerk is hereby approved. The City Manager and the Fiscal Officer are each authorized and directed, on behalf of the City, and in their official capacities to certify or represent, that the preliminary official statement, as it is modified, changed and supplemented (the "Preliminary Official Statement") is "deemed final" (except for permitted omissions) as of its date for purposes of SEC Rule 15c2-12(b)(1). The City Manager and the Fiscal Officer are each authorized to sign, on behalf of

the City, and in their official capacities, the final Official Statement with such modifications, changes and supplements as are authorized hereby. Those officers are each further authorized to use and distribute, or authorize the use and distribution of, the Preliminary Official Statement and the Official Statement, and any supplements thereto, in connection with the original issuance of the Series 2007 Bonds as may be, in their judgment, necessary or appropriate. These officers and each of them are also authorized to sign and deliver, on behalf of the City, and in their official capacities, the Official Statement approved by them and such certificates in connection with the accuracy of the Preliminary Official Statement, the Official Statement, and any supplement thereto as may be, in their judgment, necessary or appropriate.

The City Manager and the Fiscal Officer are each authorized to furnish such information, to execute such instruments and to take such other action on behalf of the City in cooperation with the Original Purchaser as may be reasonably requested to qualify the Series 2007 Bonds for offer and sale under Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States as may be designated by the Original Purchaser, provided, however, that the City shall not be required to register as a dealer or broker in any such state or jurisdiction or consent to general service of process in any jurisdiction.

Except as may be described in the Series 2007A Bond Purchase Agreement or the Series 2007B Bond Purchase Agreement, the City has not confirmed, shall not confirm, and assumes and shall assume no responsibility for, the accuracy, sufficiency or fairness of any statements in the Preliminary Official Statement or the Official Statement or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or

other information relating to DTC, Graceworks Lutheran Services or the Original Purchaser or their respective histories, businesses, properties, organizations, management, operations, financial conditions, market shares or any other matter.

Section 7. Application of Proceeds of Series 2007 Bonds: Creation of Accounts. The Proceeds of the sale of the Series 2007A Bonds shall be allocated and deposited as provided in the Bond Indenture. The Proceeds of the sale of the Series 2007B Bonds shall be allocated and deposited as provided in the Second Supplemental Trust Indenture.

Section 8. Refunding of the Refunded Bonds: Escrow Agreement.

The Fiscal Officer is authorized and directed to execute and deliver on behalf of the City the Escrow Agreement between the City and The Bank Of New York Trust Company, N.A., or any successor to The Bank Of New York Trust Company, N.A., as Escrow Trustee (the "Escrow Trustee"), if needed, in substantially the form now on file with the Clerk. That form of Escrow Agreement is hereby approved with such changes therein not materially adverse to the City as may be permitted by the Second Supplemental Trust Indenture and the Act and approved by the Fiscal Officer on behalf of the City. The approval of any changes, and that such changes are not materially adverse to the City, shall be conclusively evidenced by the execution of the Escrow Agreement by the Fiscal Officer.

The Refunded Bonds shall be redeemed on the date established by the Fiscal Officer in the Series 2007B Certificate of Award, provided that the date established for the redemption shall not be later than 90 days after the original issuance and delivery of the Series 2007 Bonds.

The Fiscal Officer of the City is hereby authorized to make arrangements with the Bond Trustee for the irrevocable call for optional redemption of the Refunded Bonds, which irrevocable



call for redemption is hereby authorized at the redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date. The Bond Trustee is hereby authorized and directed to call the Refunded Bonds for optional redemption pursuant to and in accordance with the terms of the Refunded Bonds, the First Supplemental Trust Indenture and the Escrow Agreement, if any. The Fiscal Officer of the City is hereby authorized to execute and deliver such documents, instruments and certificates as may be necessary to accomplish such redemption of the Refunded Bonds or provide for the investment or reinvestment of the related escrow securities, all pursuant to the First Supplemental Trust Indenture and the Escrow Agreement, if any.

Section 9. Security for the Series 2007 Bonds. The payment of debt service charges on the Series 2007 Bonds shall be secured as provided in and permitted by the Bond Indenture and the Second Supplemental Trust Indenture. The Series 2007 Bonds do not constitute a debt, or a pledge of the faith and credit, of the City, the State or any other political subdivision of the State, and holders or owners of the Series 2007 Bonds have no right to have taxes levied by the General Assembly of Ohio or the taxing authority of any political subdivision of the State to pay debt service charges on the Series 2007 Bonds. The Series 2007 Bonds shall be special obligations of the City payable solely from the revenues and funds pledged as provided by or permitted in the Bond Indenture and the Second Supplemental Trust Indenture and any amounts received by the Bond Trustee pursuant to one or more Master Obligations issued by Graceworks Lutheran Services under the Master Trust Indenture. Each Series 2007 Bond shall contain a statement to that effect; provided, however, that nothing herein or in the Series 2007 Bonds, the Bond Indenture or in the Second Supplemental Trust Indenture shall be deemed to prohibit the City, of its own volition,

from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Bond Indenture, Second Supplemental Trust Indenture or the Series 2007 Bonds.

Section 10. Covenants of City. In addition to the other covenants and agreements of the City in this Bond Legislation, the Certificates of Award, the Bond Indenture and the Second Supplemental Trust Indenture, the City, by issuance of the Series 2007 Bonds, covenants and agrees with the owners thereof that:

(a) The City will use the proceeds of the Series 2007A Bonds as provided in the Bond Indenture and will use the proceeds of the Series 2007B Bonds as provided in the Second Supplemental Trust Indenture and the Escrow Agreement;

(b) The City will segregate, for accounting purposes, the revenues and the funds established under the Bond Indenture and the Second Supplemental Trust Indenture from all other revenues and funds of the City;

(c) The Clerk, or other appropriate officer of the City, will furnish to the Original Purchaser and to the Bond Trustee true transcripts of proceedings, certified by the Clerk or other officer, of all proceedings had with reference to the issuance of the Series 2007 Bonds together with such information from the City's records as is necessary to determine the regularity and validity of such issuance;

(d) The City will, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purposes of the Series 2007 Bonds, the Bond Indenture, the Second Supplemental Trust

Indenture and the Escrow Agreement, if any, or as may be required by the Act and will comply with all requirements of law applicable to the City and to the Series 2007 Bonds;

(e) The City will observe and perform all of its agreements and obligations provided for by the Series 2007 Bonds;

(f) The City will restrict the use of the Proceeds of the Series 2007 Bonds in such manner and to such extent, if any, as may be necessary so that the Series 2007 Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The City Manager or the Fiscal Officer, or any other officer of the City having responsibility for the issuance of the Series 2007 Bonds will give appropriate certificates of the City, for inclusion in the transcripts of proceedings for the Series 2007 Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Series 2007 Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Series 2007 Bonds; and

(g) The City (i) will take or cause to be taken such actions which may be required of it for the interest on the Series 2007 Bonds to be and remain excluded from gross income for federal income tax purposes, and (ii) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (A) apply the proceeds of the Series 2007 Bonds to the governmental purposes of the borrowing, (B) restrict the yield on investments acquired with those proceeds, (C) make timely payments to the United States, (D) maintain books and records and make calculations and reports, and (E) refrain from certain uses of Proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The City Manager or the Fiscal Officer, and any other

appropriate officers of the City, are each hereby authorized to take any and all actions, make calculations and payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 11. Bond Indenture and Lease. The City Manager and the Fiscal Officer are hereby authorized, in the name of and on behalf of the City, to execute and deliver (a) to the Bond Trustee, the Bond Indenture and the Assignment, (b) to the Master Trustee, the Series 2007A Assignment of Rights Under A Lease and (c) to Graceworks Lutheran Services, the Lease, each substantially in the form now on file with the Clerk. These forms of the Bond Indenture, Series 2007A Assignment of Rights Under A Lease, Assignment and the Lease are hereby approved with such changes therein as are not inconsistent with this Bond Legislation and not materially adverse to the City as may be permitted by the Act and shall be approved by the officers executing the Bond Indenture, the Series 2007A Assignment of Rights Under A Lease, the Assignment and the Lease. The approval of any changes, and that such changes are not materially adverse to the City, shall be conclusively evidenced by the execution of the Bond Indenture, the Series 2007A Assignment of Rights Under A Lease, the Assignment and the Lease by the City Manager and the Fiscal Officer.

Section 12. Second Supplemental Trust Indenture and Second Amendment to Lease Agreement. The City Manager and the Fiscal Officer are hereby authorized, in the name of and on behalf of the City, to execute and deliver (a) to the Bond Trustee, the Second Supplemental Trust Indenture and the Second Supplemental Assignment of Lease and Lease Payments, (b) to the Master Trustee, the Series 2007B Assignment of Rights Under A Lease and (c) to Graceworks Lutheran Services, the Second Amendment to Lease Agreement, each as substantially in the form

now on file with the Clerk. Those forms of the Second Supplemental Trust Indenture, the Series 2007B Assignment of Rights Under A Lease, the Second Supplemental Assignment of Lease and Lease Payments and the Second Amendment to Lease Agreement are hereby approved with such changes therein as are not inconsistent with this Bond Legislation and not materially adverse to the City as may be permitted by the Act and shall be approved by the officers executing the Second Supplemental Trust Indenture, the Series 2007B Assignment of Rights Under A Lease, the Second Supplemental Assignment of Lease and Lease Payments and the Second Amendment to Lease Agreement. The approval of any changes, and that such changes are not materially adverse to the City, shall be conclusively evidenced by the execution of the Second Supplemental Trust Indenture, the Series 2007B Assignment of Rights Under A Lease, the Second Supplemental Assignment of Lease and Lease Payments and the Second Amendment to Lease Agreement by the City Manager and the Fiscal Officer.

Section 13. Other Documents. The City Manager, the Fiscal Officer and/or the Clerk are each separately authorized and directed to execute any certifications, financing statements, assignments and instruments which are necessary or appropriate to perfect the assignments set forth in the Bond Indenture or the Second Supplemental Trust Indenture and to consummate the transactions contemplated in this Bond Legislation, the Bond Indenture, the Second Supplemental Trust Indenture, the Lease, the Second Amendment to Lease Agreement, the Assignment of Rights Under A Lease, the Assignment, the Second Supplemental Assignment of Lease and Lease Payments, the Series 2007A Bond Purchase Agreement, the Series 2007B Bond Purchase Agreement and the Escrow Agreement, if any.

Section 14. Further Authorization. Reasonable notice of a public hearing regarding the issuance of the Series 2007 Bonds having been given and such public hearing having been held, we grant our approval as the “applicable elected representative”, as defined in Section 147(f) of the Code, to the issuance of the Series 2007 Bonds. The City Manager and the Fiscal Officer are each hereby further authorized and directed to take such further actions and to execute and deliver any agreements, certificates, financing statements, documents or other instruments, as are consistent with the Bond Indenture and the Second Supplemental Trust Indenture, and as are necessary or appropriate in the judgment of such officers to perfect the transactions contemplated herein and in the Bond Indenture and the Second Supplemental Trust Indenture, or to protect the rights and interests of the City, the Bond Trustee or the holders of the Series 2007 Bonds.

Section 15. Elections. The City Manager or the Fiscal Officer of the City or any other officer or employee of the City having responsibility for issuance of the Series 2007 Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Series 2007 Bonds as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Sections 148 and 150 of the Code and the applicable regulations thereunder, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2007 Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that

officer or employee, which action shall be in writing and signed by the officer or employee, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income for federal income tax purposes and the intended tax status of the Series 2007 Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcripts of proceedings for the Series 2007 Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Series 2007 Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Series 2007 Bonds.

Section 16. Compliance with Open Meeting Law. It is found and determined that all formal actions of this Council concerning and relating to the passage of this Bond Legislation were taken 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 actions, were in meetings open to the public, in compliance with the law.

Section 17. Effective Date. This Bond Legislation shall be in full force and effect upon its adoption.

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ADOPTED this 18<sup>th</sup> day of June, 2007.

Mark Kungood  
Presiding Officer

Attest: Debra A. James  
Clerk of Council



CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies the foregoing to be a true and correct copy of Emergency Ordinance No. 6-07, passed by the Council of the City of Centerville, Ohio on the 18<sup>th</sup> day of June, 2007.

Debra A. James  
Clerk of Council

Approved as to form, consistency with the  
Charter and Constitutional Provisions.  
Department of Law  
Scott A. Liberman  
Municipal Attorney