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11/15/83

ORDINANCE NO. 24-83

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$3,500,000 HOSPITAL FACILITIES REVENUE BONDS OF THE MUNICIPALITY OF CENTERVILLE, OHIO, IN ORDER TO FINANCE THE COSTS OF A HOSPITAL FACILITY TO BE LEASED BY THE MUNICIPALITY OF CENTERVILLE FROM THE LUTHERAN SOCIAL SERVICE OF THE MIAMI VALLEY AND TO BE SUBLEASED TO THE LUTHERAN SOCIAL SERVICE OF THE MIAMI VALLEY; AUTHORIZING THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING AN AGREEMENT OF LEASE, AN AGREEMENT OF SUBLEASE AND AN AGENCY AGREEMENT WITH RESPECT TO THE LEASED PREMISES AND THE PROCEEDS DERIVED FROM THE SALE OF SAID BONDS; AND AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS, AND DECLARING AN EMERGENCY.

WHEREAS, the Municipality of Centerville (hereinafter called the "Issuer"), a municipal corporation and political subdivision in and of the State of Ohio, is by virtue of the laws of said State, including Chapter 140 of the Ohio Revised Code, and other authorities mentioned therein, authorized and empowered, among other things, (a) to issue revenue bonds in order to assist in the financing of costs of hospital facilities located within the boundaries of the Issuer, (b) to acquire a leasehold interest in hospital facilities and to enter into a sublease with the user of such facilities pursuant to Sections 140.03 and 140.05 of the Ohio Revised Code, and to provide for rental payments to pay the principal of and interest and any premium on such revenue bonds, (c) to secure such revenue bonds by a trust agreement or indenture between the Issuer and a corporate trustee, and by a pledge and assignment of such revenues, as provided for herein, and (d) to enact this Bond Legislation and enter into the Indenture, Agency Agreement, the Agreement, and the Lease as hereinafter identified, upon the terms and conditions provided therein; and

WHEREAS, The Lutheran Social Service of the Miami Valley is an Ohio nonprofit corporation qualified to do business in the State of Ohio and is authorized to own and operate a "hospital facility" as defined in Section 140.01(E) of the Ohio Revised Code; and

WHEREAS, it is hereby determined by this Legislative Authority that the acquisition, construction, renovation and equipping of the Project, as hereinafter defined, including the

financing thereof, will require the issuance, sale and delivery of Project Bonds in the principal amount of \$3,500,000 and hereafter may require the Issuer's issuance, sale and delivery of Additional Bonds on a parity therewith, all of which Bonds shall be equally and ratably payable and secured as provided herein and in the Indenture authorized herein;

NOW THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY ORDAINS:

Section 1. Definitions. In addition to the words and terms elsewhere defined in this Bond Legislation or in the Agreement hereinafter identified and used herein as defined words and terms, the following words and terms as used in this Bond Legislation and in the Indenture authorized herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Act" means Chapter 140 of the Ohio Revised Code.

"Additional Bonds" means Bonds issued pursuant to Section 8 of this Bond Legislation.

"Additional Payments" means the amounts required to be paid by the provisions of Section 2.4 of the Agreement.

"Agency Agreement" means the Agency Agreement concerning the acquisition, construction, renovation and equipping of the Project between the Issuer and the Sublessee, dated as of November 1, 1983.

"Agreement" means the Agreement of Sublease, provided for in Section 11 hereof, between the Issuer and Sublessee, dated as of November 1, 1983, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Authorized Issuer Representative" means the person from time to time designated to act on behalf of the Issuer by written certificate signed by the Executive and furnished to the Sublessee and the Trustee, containing the specimen signature of such person. Such certificate may designate an alternate or alternates who shall have the same authority, duties and powers as the Authorized Issuer Representative.

"Authorized Sublessee Representative" means any person from time to time designated to act on behalf of the Sublessee by written certificate signed by an authorized officer or employee of the Sublease and furnished to the Issuer and the Trustee, containing the specimen signature of such person and signed on behalf of the Sublessee by an officer of the Sublessee. Such certificate may designate an alternate or

alternates who shall have the same authority, duties and powers as such Authorized Sublessee Representative.

"Bonds" means the Project Bonds and any Additional Bonds issued and to be issued pursuant to the Indenture.

"Bond Fund" means the Bond Fund created by Section 7 of this Bond Legislation.

"Bond Fund Payment" means as to the Project Bonds an amount equal to the interest accrued, if any, on the Project Bonds, if any, from their dated date to the date of their delivery to the Original Purchaser and payment therefor, and as to Additional Bonds the amount specified in the Bond Legislation authorizing such Additional Bonds, provided that the Bond Fund Payment for any Additional Bonds shall not be less than an amount equal to the interest accrued on such Additional Bonds from their dated date to the date of delivery of such Additional Bonds to the original purchaser and payment therefor.

"Bondholder" or "holder" or "holder of Bonds" means any person in whose name a Bond is registered.

"Bond Legislation" means this ordinance authorizing the Project Bonds, except that when used with reference to an issue of Additional Bonds it shall mean this Bond Legislation to the extent applicable and the other legislation providing for the issuance of such Additional Bonds, and except that when used with reference to Bonds when Additional Bonds are outstanding it shall mean this Bond Legislation and the Bond Legislation providing for the issuance of Additional Bonds, all as the same may from time to time be lawfully amended, modified or supplemented.

"Bond Redemption Date" means any date upon which Bonds shall be redeemed pursuant to the Indenture.

"Bond Service Charges" for any time period means the principal of, premium, if any, and interest on the Bonds required to be paid by the Issuer for such time period.

"Code" means the Internal Revenue Code of 1954, as amended, and with respect to a specific section thereof such reference shall be deemed to include (i) the regulations prescribed under such section, (ii) any successor provision of similar import hereafter enacted, (iii) any corresponding provision of any subsequent Internal Revenue Code, and (iv) the regulations prescribed under the provisions described in (ii) and (iii).

"Completion Date" means the date evidenced by the certificate of the Project Supervisor as provided in Section 3.3 of the Agreement.

"Construction Fund" means the Construction Fund created by Section 6 of this Bond Legislation.

"Construction Period" means the period between the beginning of the acquisition, construction, renovation and equipping, of the Project or the date on which the Project Bonds are delivered to the Original Purchaser, whichever is earlier, and the Completion Date.

"Costs of Hospital Facilities" means the costs of or related to Hospital Facilities, and the financing thereof, for the payment of which bonds or other obligations may be issued under the Act.

"Determination of Taxability" means the final adoption of legislation or regulations or a final determination, decision, decree, ruling or technical advice by any judicial or administrative authority which has the effect of requiring interest on the Bonds to be included in the gross income for Federal income tax purposes of any holder or registered owner of the Bond. A decision or ruling by any judicial or administrative authority shall not be considered final for the purposes of this definition until the expiration or waiver of all periods for judicial review or appeal, as the case may be, in which review or appeal the Sublessee has participated or has had the opportunity to participate. Such determination shall be deemed to have occurred upon receipt by a holder or registered owner of the Bonds evidence thereof.

"Eligible Investments" means investments in:

(1) obligations the principal of and interest on which are payable or guaranteed by the United States of America;

(2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Federal National Mortgage Association or Government National Mortgage Association; and

(3) interest-bearing demand or time deposits (including certificates of deposit) in any bank (including the Trustee) or savings and loan association, if (i) such bank or savings and loan association has capital and surplus of at least \$20,000,000 at the time of the investment or any renewal thereof, or (ii) such demand or time deposits are secured at

all times, in the manner and to the extent provided by law, by collateral security described in clause (1) or (2) of this definition and of a market value of no less than the amount of moneys so invested therein, or (iii) such demand or time deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

"Engineer" means an engineer or engineering firm or an architect or architectural firm qualified to practice the profession of engineering or architecture under the laws of the State of Ohio, and who or which is acceptable to the Trustee and is not an officer or full-time employee of the Sublessee or the Issuer.

"Event of Taxability" means the occurrence of circumstances which a Determination of Taxability shall have found to have occurred, or which shall constitute a Determination of Taxability, and which result in the interest payable on the Bond becoming includable in the gross income for Federal income tax purposes of the holder or registered owner of the Bonds such occurrence of circumstances relating to specific point in time.

"Executive" means the Manager of the Issuer.

"Fiscal Officer" means the Director of Finance of the Issuer.

"Guaranty" means the Guaranty between the Sublessee and the Trustee, dated as of November 1, 1983.

"Hospital Facilities" means the "hospital facilities" as defined in the Act, all or any part of the costs of which are at any time authorized by the Act to be financed by the issuance of obligations of the Issuer thereunder, including the Leased Premises with all appurtenant facilities and properties in which the Issuer has acquired a leasehold interest or hereafter shall acquire a leasehold interest in connection therewith.

"Hospital Receipts" means (a) the Rent Payments and Additional Payments, (b) subject to the provisions of Sections 3.04 and 8.02 of the Indenture with respect to the Trustee holding moneys for the benefit of the holders of particular Bonds, all other moneys received by the Issuer pursuant to the Agreement or by the Trustee for the account of the Issuer, including rentals, revenues and other income, charges and moneys realized from the use, lease, sublease, sale or other disposition of the Project, (c) the proceeds of the Bonds including all moneys deposited in the Construction Fund and Bond Fund, and (d) the income and profit from the investment of

the Rent Payments, any other moneys held by the Trustee under the Indenture, and the moneys deposited in the Bond Fund and Construction Fund.

"Indenture" means the Trust Indenture between the Issuer and the Trustee, dated as of November 1, 1983, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Independent" means having no interest, direct or indirect, in the Sublessee, and in the case of an individual, not being an officer, trustee, employee of the Sublessee, and in the case of a firm (or its affiliates or subsidiaries), not having a partner, director, officer or employee who is an officer, trustee, employee of the Sublessee.

"Independent Counsel" means any attorney or firm of attorneys acceptable to the Trustee and to the Issuer and who (and none of whom in the case of a firm) is not an officer or a full-time employee of the Issuer or the Sublessee.

"Interest Payment Date" means, as to the Project Bonds, the first day of each February, May, August and November on or prior to the Termination Date, commencing February 1, 1984, and, as to Additional Bonds, the date or dates identified as such in the Bond Legislation authorizing such Additional Bonds.

"Lease" means the Agreement of Lease, provided for in Section 11 hereof, between the Sublessee and the Issuer, dated as of November 1, 1983, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Leased Premises" means the Project Site and the Project, constituting Hospital Facilities.

"Legal Officer" means the Director of Law of the Issuer.

"Legislative Authority" means the Council of the Issuer.

"Mortgage" means the Mortgage and Security Agreement from the Sublessee to the Trustee, granted prior to the conveyance of the Leased Premises to the Issuer, with respect to the Leased Premises, of even date herewith, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Net Proceeds" means, as to any insurance proceeds or any condemnation award, the amount remaining after deducting

therefrom all expenses (including attorneys' fees and any Extraordinary Expenses, as defined in the Indenture, of the Trustee) incurred in the collection of such proceeds or award.

"Notice Address" means:

- (a) As to the Issuer: City of Centerville, Ohio
100 W. Spring Valley Road
Centerville, Ohio 45459
Attention: Manager
- (b) As to the Sublessee: The Lutheran Social Service
of the Miami Valley
6445 Far Hills Avenue
Centerville, Ohio 45459
Attention: Executive
Director
- (c) As to the Trustee: The First National Bank
One First National Plaza
Dayton, Ohio 45402
Attention: Corporate Trust
Department
- (d) As to the Original Purchaser: American Security Bank N.A.
1501 Pennsylvania Ave., N.W.
Washington, D.C.. 20013
Attention: Commercial Loan
Department

or such different address notice of which is given under Section 10.3 of the Agreement, but no such notice shall thereby be required to be sent to more than two addresses.

"Original Purchaser" means, as to the Project Bonds, American Security Bank N.A., Washington, D.C. or its designee or assignee, and as to Additional Bonds, the person or persons identified as such in the Bond Legislation providing for the issuance of such Additional Bonds.

"Outstanding Bonds" or "Bonds Outstanding" or "Bonds outstanding" or "outstanding" as applied to Bonds, means, as of any date, all Bonds which have been authenticated and delivered, or are then being delivered, by the Trustee under the Indenture except:

- (a) Bonds surrendered for and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;
- (b) Bonds for the payment, redemption or purchase for cancellation of which sufficient moneys have been

deposited prior to such date with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of Section 8.02 of the Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

- (c) Bonds in lieu of which others have been authenticated (or payment, when due, of which is made without replacement) under Section 2.05 of the Indenture;

and also except that

- (d) For the purpose of determining whether the holders of the requisite principal amount of Bonds have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to this indenture, Bonds owned by or for the account of the Sublessee or any person owned, controlled by, under common control with or controlling the Sublessee shall be disregarded and deemed to be not outstanding. The term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Ownership of 5% or more of a class of securities having general voting power to elect a majority of the board of directors of a corporation shall be conclusive evidence of control of such corporation.

"Paying Agents" means any banks or trust companies designated as the paying agencies or places of payment for Bonds by or pursuant to the applicable Bond Legislation, and their successors designated pursuant to the Indenture.

"Permitted Encumbrances" means, as of any particular time, (i) the Mortgage, and any encumbrances permitted by the Mortgage, (ii) liens for ad valorem taxes and special assessments not then delinquent, (iii) the Lease, (iv) the Agreement, (v) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that will not materially interfere with or impair the operations to be conducted on the Leased Premises nor impair the

marketability of the leased Premises as collateral, (vi) the exceptions listed on the policy of title insurance issued with respect to the Project Site, and (vii) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Leased Premises which will not interfere with or impair the operations to be conducted on the Leased Premises nor impair the marketability of the Leased Premises or its value as collateral.

"Person", whether or not appearing with initial capitalization, means natural persons, firms, associations, corporations and public bodies.

"Prime Rate" means the prime rate of interest per annum announced from time to time by American Security Bank N.A. at its principal office in Washington, D.C. such rate changing automatically from time to time effective as of the effective date of each such announced change; provided that in no event shall the Prime Rate exceed the rate permitted by law.

"Principal Payment Date" means, as to the Project Bonds, the first day of each February, May, August and November on or prior to the Termination Date, commencing February 1, 1984, and as to Additional Bonds, the date or dates identified as such in the Bond Legislation authorizing such Additional Bonds.

"Project" means the real, personal and real and personal property, including undivided or other interests therein, identified in the Mortgage, and in Exhibit A to the Agreement, in or pursuant to any amendments to the Agreement, and in the certificate of the Project Supervisor given pursuant to Section 3.3 of the Agreement, or acquired, constructed or installed in replacement or substitution therefor or in addition thereto, or as may result from a revision of the Plans and Specifications in accordance with the provisions of the Agreement, consisting of the renovation and expansion of the area known as the Health Care Center. The Project is additionally identified in the Certificate of Need issued by the Ohio Department of Health dated September 6, 1983, a copy of which has been submitted to the Trustee.

"Project Bonds" means the Bonds authorized in Section 3 of this Bond Legislation and designated "Hospital Facilities Revenue Bonds (The Lutheran Social Service of the Miami Valley Project)".

"Project Purposes" means the purposes of a hospital facility as defined in the Act.

"Project Site" means the land constituting the site of and part of the Project, which land is described in Exhibit B to the Agreement.

"Project Supervisor" means an Independent Engineer licensed to practice in Ohio from time to time designated to supervise the Project hereunder by written certificate furnished to the Issuer and Trustee, containing the specimen signature of such person and signed on behalf of the Sublessee by an authorized officer or employee of the Sublessee. The Project Supervisor may be the supervising architect for the Project. Such certificate may designate an alternate or alternates who shall have the same authority, duties and powers as such Project Supervisor. In the event that all such incumbents become unavailable or unable to act and the Sublessee fails to designate at least one replacement within ten days after such unavailability or inability to act, the Trustee may appoint a successor who shall be an architect or engineer qualified to practice the profession of architecture or engineering under the laws of the State.

"Registered Bonds" means Bonds registered in the name of the holder.

"Rent" means Rent Payments and Additional Payments.

"Rent Payment Date" means each date upon which payments are due under the Agreement.

"Rent Payments" means the amounts required to be paid and/or prepaid by the provisions of Section 2.2 of the Agreement, as the same may hereafter be amended or supplemented.

"State" means the State of Ohio.

"Sublessee" means The Lutheran Social Service of the Miami Valley, an Ohio nonprofit corporation, and its successors and assigns including any surviving, resulting or transferee partnership or corporation as provided in Section 6.3 of the Agreement.

"Term of the Agreement" means the period commencing on delivery of the Agreement and ending on the date specified by the Sublessee in its written notice to the Issuer given on or after the Termination Date.

"Termination Date" means the last Principal Payment Date, subject to modification as provided in the Agreement.

"Trustee" means the Trustee at the time serving under the Indenture, originally The First National Bank, Dayton,

Ohio, as Trustee, and any successor Trustee as determined or designated under or pursuant to the Indenture.

Any reference herein to the Issuer, to the Legislative Authority, or to any officers thereof, shall include any entity which succeeds to its duties or responsibilities pursuant to or by operation of law. Any reference to a section or provision of the Ohio Constitution or the Act or to a section, provision or chapter of the Ohio Revised Code shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented, or superseded; provided, however, that no such change in the Constitution or laws (a) shall alter the obligation to pay the Bond Service Charges in the amounts and manner, at the times, and from the sources provided in this Bond Legislation and the Indenture, except as otherwise herein permitted or (b) shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Sublessee under the Agreement or the Indenture.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and the terms "hereof", "hereby", "hereto", "hereunder", and similar terms, mean this Bond Legislation and the Indenture.

Section 2. Determinations of Legislative Authority.
The Legislative Authority hereby determines:

- (a) that the Issuer is a "public hospital agency" as defined in Section 140.01(B) of the Ohio Revised Code; that the Sublessee is a "nonprofit hospital agency" as defined in Section 140.01(C) of the Ohio Revised Code; and that the Project is a "hospital facility" as defined in Section 140.01(E) of the Ohio Revised Code; that the Issuer has the authority to acquire a leasehold interest in the Leased Premises pursuant to Section 140.03(B)(1) of the Ohio Revised Code, and that the Issuer may sublease the Leased Premises pursuant to Section 140.05(E) of the 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 of Ohio and the Issuer 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 available for the services of the general public without discrimination by reason of race, creed, color or national origin; and

- (c) that the Indenture, Lease, Agreement and Agency Agreement provided for in Section 11 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 3. Authorization and Terms of Project Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided and authorized herein and pursuant to the authority of the Act, \$3,500,000 aggregate principal amount of Project Bonds for the purpose of financing the Costs of Hospital Facilities including the costs of acquiring, constructing, renovating, improving and installing the Project to be leased to the Issuer by the Sublessee and subleased to the Sublessee by the Issuer for the Project Purposes, and the costs incidental thereto and to the financing thereof. Said Project Bonds shall be designated "Hospital Facilities Revenue Bonds (The Lutheran Social Service of the Miami Valley Project)". The Issuer may also issue, sell and deliver Additional Bonds on a parity with the Project Bonds for the purposes and in the manner provided in Section 8 of this Bond Legislation.

The Project Bonds shall be issued in fully registered form, shall be dated as of November 1, 1983, and shall be numbered from from R-1 upwards. At the request of the Original Purchaser, the Project Bonds shall be delivered as a single registered bond in the form set forth in the Indenture. Project Bonds in fully registered form may be in the denominations of \$5,000 and any integral multiple thereof, and shall be of a single maturity of the same series; provided that the Fiscal Officer with the approval of the Trustee may authorize issuance of one or more fully registered Bonds representing more than one maturity of the same series with appropriate changes in the form of such a Project Bond to cover more than one maturity, such approval and authorization to be evidenced as provided in the Indenture.

Each Project Bond in fully registered form, other than that initially delivered to the Original Purchaser, shall be dated as of the date of its delivery or exchange; provided that if at the time of authentication of any fully registered Project Bond interest is in default thereon, such Project Bond shall be dated as of the date to which interest has been paid.

Interest on the then outstanding Project Bonds shall be payable at a rate equal to eighty percent (80%) of the Prime Rate. Interest on the Project Bonds shall be payable on each Interest Payment Date. Principal on the Project Bonds shall be payable in equal quarterly installments of \$58,333.34, payable

on each Principal Payment Date. In addition, additional interest equal to one percent (1%) of the principal amount of the Project Bonds shall be payable upon the delivery of the Project Bonds to the Original Purchaser.

In the event that the maximum marginal Federal corporate income tax rate as presently established in Section 11 of the Code (the "Tax Rate") is increased or decreased from 46%, the rate of interest on the Project Bonds shall be increased or decreased, respectively, as follows: the new rate of interest shall be the Tax Equivalent Yield multiplied by the difference between 1 and the new Tax Rate. For purposes of this paragraph, Tax Equivalent Yield means the then current rate of interest on the Project Bonds, divided by fifty four percent (54%).

In the event the Sublessee exercises its option to prepay the Rent as provided in Section 8.2 of the Agreement, the Project Bonds are subject to optional redemption by the Issuer prior to stated maturity in whole or in part at any time at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date except that if the Project Bonds are redeemed on or before November 1, 1985, and the principal amount of Project Bonds to be redeemed is in excess of \$350,000, the redemption price shall include a premium in an amount equal to one percent (1%) of the principal amount redeemed in excess of \$350,000. Notice from the Sublessee to the Trustee pursuant to Section 8.4 of the Agreement that the Sublessee shall exercise its option to prepay Rent pursuant to Section 8.2 of the Agreement shall constitute the direction from the Issuer to the Trustee to call all or part of the then outstanding Project Bonds for optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

The Project Bonds are also subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date if and when the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Agreement by reason of any changes in the Constitution of the State or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or Federal) or any final decree, judgment or order of any court or administrative body (whether state or Federal) entered after the contest thereof by the Issuer or the Sublessee in good faith, or if the interest on the Project Bonds becomes subject to Federal income tax as a result of an Event of Taxability. Notice from the Sublessee to the Trustee pursuant to Section 8.4 of the Agreement that the Sublessee

shall prepay the entire Rent as required under Section 8.3 of the Agreement, shall constitute the direction from the Issuer to the Trustee to call all or part of the then outstanding Project Bonds for special mandatory redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

Upon a Determination of Taxability, the Issuer may, at the request of the Sublessee and with the consent of 100% of the holders of Project Bonds then outstanding, not redeem all Project Bonds, and such Project Bonds shall bear interest at a rate of two percent (2%) above the Prime Rate, effective from the date of the Event of Taxability.

If less than the entire unmatured portion of the Project Bonds shall be called for redemption at any time or from time to time, prepayments shall be applied against installments of principal in inverse order of maturity.

Notice of the call for any redemption of Project Bonds, identifying by designation, letters, numbers, or other distinguishing marks, the Project Bonds to be redeemed, the redemption price to be paid, the date fixed for redemption and the place or places where the amounts due upon such redemption are payable, shall be given by the Trustee on behalf of the Issuer by mailing a copy of the redemption notice by first class mail at least thirty days prior to the date fixed for redemption to the registered owner of each such registered Project Bond to be redeemed at the address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice by mailing, or any defect in such notice, shall not affect the validity of any proceedings for the redemption of the Project Bonds. The holder or holders of Bonds may waive any notice of redemption in writing, and in such event, no notice of any kind need be given with respect to the Bonds of such holder or holders to be so redeemed.

The principal of, premium, if any, and interest on registered Project Bonds shall be payable by check or draft or, if so requested by the holders thereof, by wire transfer, or by any other method as provided in the Indenture.

The Project Bonds shall be executed by the Executive and the Fiscal Officer of the Issuer, provided that any or all of such signatures may be facsimiles.

Section 4. Terms of all Bonds. All Bonds shall bear such designation as may be necessary to distinguish them from Bonds of any other series. Bond Service Charges on all Bonds shall be payable in lawful money of the United States of America. Subject to provisions of the applicable Bond Legislation, Bonds shall be issued as fully registered Bonds,

all as provided in the Indenture. All Bonds shall be negotiable instruments within the meaning of Chapter 140 of the Ohio Revised Code, subject to applicable provisions for registration, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

All Bonds shall be executed in the manner provided in the Bond Legislation authorizing their issuance or in the manner provided by the applicable law in effect at the time of their issuance. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the issuance, authentication or delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until that time.

Unless otherwise provided in the Bond Legislation authorizing the issuance of Additional Bonds, notice of call for redemption of all Bonds shall be given in the manner provided in Section 3 hereof for the notice of call for redemption of the Project Bonds. If Bonds are duly called for redemption and if on such redemption date moneys for the redemption of all the Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Trustee so as to be available therefor, then from and after such redemption date such Bonds shall cease to bear interest.

Section 5. Security Pledged for Bonds. As provided herein, the Bonds shall be equally and ratably payable solely from the Hospital Receipts and secured by a pledge of and lien on moneys deposited in the Construction Fund and Bond Fund and a pledge and assignment of other moneys constituting Hospital Receipts, and further secured by the Indenture and by the Mortgage; and anything in this Bond Legislation, the Bonds, the Agreement, the Mortgage, or the Indenture to the contrary notwithstanding, neither this Bond Legislation, the Bonds, the Agreement, the Mortgage, nor the Indenture shall constitute a debt or a pledge of the faith and credit of the Issuer or of the State or any political subdivision thereof and the holders or owners of the Bonds shall have no right to have taxes or excises levied by the General Assembly of the State or the taxing authority of the Issuer or of any other political subdivision of the State for the payment of the principal of, premium, if any, or interest on the Bonds, but such Bonds are payable solely from the Hospital Receipts and the Bonds shall contain on the face thereof a statement to that effect; provided, however, that nothing herein shall be deemed to prohibit the Issuer, 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 Indenture, this Bond Legislation or any of the Bonds.

Section 6. Sale of Project Bonds; Allocation of Purchase Price. The Executive and Fiscal Officer are hereby authorized and directed to offer for sale the Project Bonds to the Original Purchaser for purchase by the Original Purchaser at the price of 100% of the principal amount thereof plus accrued interest to the date of delivery, in accordance with the terms and provisions of this Bond Legislation, and to make the necessary arrangements on behalf of the Issuer with the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Project Bonds to the Original Purchaser. The Executive and Fiscal Officer further are hereby authorized and directed to take all steps necessary to effect due authentication, delivery and security of the Project Bonds under the terms of this Bond Legislation and the Indenture, and it is hereby determined that the aforesaid purchase price and the interest rates for the Project Bonds and the manner of sale, as provided in this Bond Legislation, are in the best interest of the Issuer and consistent with all legal requirements. The Clerk of the Legislative Authority shall furnish to the Original Purchaser a true transcript of proceedings had with reference to the issuance of the Project Bonds, certified by said Clerk, along with such information from his or her records as is necessary to determine the regularity and validity of the issuance of said Bonds.

At the time of issuance, delivery of and payment for the Project Bonds, the proceeds from the sale of the Project Bonds, plus the Bond Fund Payment, will be paid by the Original Purchaser to the Issuer and the Issuer will thereupon pay from the Issuer's account to the Trustee an amount equal to such proceeds of sale and Bond Fund Payment for deposit by the Trustee in the Funds created hereinafter.

Upon receipt of the proceeds of sale of the Project Bonds from the Issuer, the Trustee shall deposit the Bond Fund Payment into the Bond Fund.

There is hereby created by the Issuer and ordered maintained as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee a trust fund to be designated "Municipality of Centerville-The Lutheran Social Service of the Miami Valley Construction Fund" (herein called the "Construction Fund"). After deducting the Bond Fund Payment, the balance of the proceeds of the Project Bonds shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be disbursed by the Trustee in accordance with the provisions of the Agreement, and the Trustee is hereby authorized and directed to issue its check for each disbursement required by the provisions of the

Agreement. In addition, moneys in the Construction Fund may be transferred to the Bond Fund to the extent necessary to provide for payment of interest on the Project Bonds. The Issuer covenants and agrees promptly to take whatever action, if any, is necessary in approving and ordering all such disbursements.

The moneys to the credit of the Construction Fund shall, pending application thereof as above set forth, be subject to a lien and charge in favor of the holders of the Project Bonds, but only to the extent of their interest therein.

Moneys in the Construction Fund shall be applied to payment of the costs of acquiring, constructing, renovating, furnishing and equipping the Project in accordance with the Agreement and paying interest on the Project Bonds during construction. Any moneys remaining in the Construction Fund after payment of such costs will be deposited into the Bond Fund.

Moneys in the Construction Fund may be disbursed by the Trustee only upon receipt of a requisition by the Project Supervisor certifying that the expenditures are proper charges against the Construction Fund, have not been previously paid, and that there are sufficient funds remaining in the Construction Fund to acquire, equip and complete the Project as required by the Agreement. For any disbursements for labor or materials there must also be a certificate that the work was performed in a satisfactory manner in accordance with the Plans and Specifications and that the materials were actually used.

Section 7. Source of Payment - Bond Fund. Rent Payments, which when added to other Hospital Receipts, shall be sufficient in time and amount to pay the Bond Service Charges, are to be paid by the Sublessee to the Trustee for the account of the Issuer and deposited in the Bond Fund.

There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "Municipality of Centerville-The Lutheran Social Service of the Miami Valley Revenue Bond Fund" (herein called the "Bond Fund"). The Bond Fund (and accounts therein provided for in the Indenture or in the Agreement) and the moneys and investments therein are hereby pledged to and shall be used solely and exclusively for the payment of principal and interest and premium, if any, on the Project Bonds.

The Trustee shall deposit in the Bond Fund (1) all Rent Payments and all other Hospital Receipts, (2) all interest earnings on the Bond Fund and the Construction Fund, and (3) any amount transferred from the Construction Fund.

Moneys in the Bond Fund shall be used in the following priority by the Trustee:

(1) for the payment of principal of and interest on the Bonds due on any Interest Payment Date or Principal Payment Date; and

(2) for the optional redemption of Bonds at the applicable redemption price, but only to the extent that such redemption is a result of prepayment of Rent by the Sublessee.

The Issuer hereby covenants and agrees that so long as any of the Bonds are outstanding it will deposit or cause to be deposited in the Bond Fund, Hospital Receipts sufficient in time and amount to pay the Bond Service Charges as the same become due and payable, and to this end the Issuer covenants and agrees that, so long as any Bonds are outstanding, it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement, and that, should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Trustee and with the Bondholders to protect fully the rights and security of the Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply to the payment of Bond Service Charges any funds or revenues from any source other than Hospital Receipts.

The Issuer covenants and agrees whenever the moneys and investments in the Bond Fund (or otherwise held by the Trustee for such purpose) are sufficient in amount to redeem all of the Bonds then outstanding and to pay interest to accrue thereon or any redemption premium thereon to the date or dates of such redemption, to take and cause to be taken, at the direction of the Sublessee, the necessary steps to redeem all of said Bonds on the next succeeding redemption date or dates for which the required notice of call for redemption may be given.

Section 8. Additional Bonds. At the request of the Sublessee, the Issuer, to the extent permitted by law (including the Act) then in effect and for purposes consistent with the Act, shall use its best efforts to issue Additional Bonds from time to time to provide funds for: (i) completion of the Project, including additional costs incurred in providing the Project, (ii) if the Sublessee is not then in default under the Agreement, construction of additional Hospital Facilities on the Leased Premises or (iii) if the Sublessee is not then in default under the Agreement, refunding the Project Bonds or any one or more series of Additional Bonds, or (iv) if the Sublessee is not then in default under the Agreement, any combination of the foregoing; provided, that the proceeds of

any Additional Bonds shall, except to the extent issued for the purpose described in clause (iii), be used solely to pay Costs of Hospital Facilities. Such Additional Bonds shall be on a parity with the Project Bonds and any Additional Bonds theretofore or thereafter issued. Before any Additional Bonds are authenticated there shall be delivered to the Trustee the items required by Section 2.08 of the Indenture and either the opinion of nationally recognized bond counsel or a ruling of the Internal Revenue Service of the United States Department of Treasury that the issuance of such series of Additional Bonds will not adversely affect the exemption from Federal income taxation of the interest paid or payable on any outstanding Bonds. The Trustee shall, upon the issuance of Additional Bonds, execute any appropriate waivers for additional lien financing.

No Additional Bonds shall require they be issued without the prior written consent of the holders of a majority of the Bonds then outstanding.

Section 9. Covenants of Issuer. In addition to other covenants of the Issuer in this Bond Legislation and the Indenture contained, the Issuer further covenants and agrees as follows:

(a) Payment of Bond Service Charges. The Issuer will, solely from Hospital Receipts, pay or cause to be paid the Bond Service Charges on each and all Bonds on the dates, at the places and in the manner provided herein, in the applicable Bond Legislation and in the Bonds and coupons.

(b) Performance of Covenants, Authority and Actions. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in this Bond Legislation, the Indenture, the Lease, the Agreement, the Agency Agreement, and in any and every Bond executed, authenticated and delivered under the Indenture, and in all proceedings of the Issuer pertaining to the Bonds, the Indenture, the Lease, the Agreement, the Agency Agreement. The Issuer warrants and covenants that it is, and upon delivery of the Project Bonds will be, duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Project Bonds and to execute the Indenture, the Lease, the Agreement and the Agency Agreement, to provide the security for payment of the Bond Service Charges in the manner and to the extent herein and in the Indenture set forth; that all actions on its part for the issuance of the Project Bonds and execution and delivery of the Indenture, Agency Agreement, the Lease, and the Agreement have been or will be duly and effectively taken; and that the Project Bonds in the hands of the holders thereof will be valid and enforceable special obligations of the Issuer according to

the terms thereof. Each provision of this Bond Legislation, the Indenture, the Agency Agreement, the Bond Purchase Agreement, the Lease, the Agreement and the Bonds is binding upon each such officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duties required by such provision; and each duty of the Issuer and of its officers undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer having authority to perform such duty, specifically enjoined by law and resulting from an office, trust, or station within the meaning of Section 2731.01 of the Ohio Revised Code, providing for enforcement by writ of mandamus.

(c) Hospital Receipts. Except as otherwise provided in this Bond Legislation, the Indenture, the Lease and the Agreement, the Issuer will not create or suffer to be created any debt, lien or charge thereon, or make any pledge or assignment of or make any pledge or assignment of or create any lien or encumbrance upon the Hospital Receipts, including the moneys in the Bond Fund, the Construction Fund, other than the pledge and assignment thereof under this Bond Legislation, the Indenture and the Agreement.

(d) Recordings and Filings. The Issuer will cause, at the Sublessee's expense (to the extent required by the laws of the State to perfect such instruments and/or the lien created thereby), all necessary financing statements, amendments thereto, continuation statements and instruments of similar character relating to the pledges and assignments made by it to secure the Bonds, to be recorded and filed in such manner and in such places and to the extent required by law in order to fully preserve and protect the security of the holders of the Bonds and the rights of the Trustee under the Indenture.

(e) Inspection of Project Books. All books and documents in the Issuer's possession relating to the Project or the Hospital Receipts shall at all times be open to inspection by such accountants or other agents of the Trustee as the Trustee may from time to time designate.

(f) List of Bondholders. To the extent that such information shall be made known to the Issuer under the terms of this paragraph, the Issuer will keep or arrange to have kept on file at the corporate trust office of the Trustee a list of names and addresses of the last known holders of Bonds. The Issuer shall not be under any responsibility with regard to the accuracy of such list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Sublessee, or by the holders (or a designated representative thereof) of twenty-five percent or more in principal amount of Bonds then outstanding, such

holding and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(g) Rights under Lease and Agreement. The Trustee, in its name or in the name of the Issuer, may, for and on behalf of the Bondholders, enforce all rights of the Issuer and all obligations of the Sublessee under and pursuant to the Lease and the Agreement, whether or not the Issuer is in default of the pursuit or enforcement of such rights and obligations.

(h) Maintenance of Lease and Agreement. The Issuer shall do all things and take all actions on its part necessary to comply with the obligations, duties and responsibilities on the part of the Issuer under the Lease and the Agreement, and will take all actions within its authority to maintain the Lease and the Agreement in effect in accordance with the terms thereof and to enforce and protect the rights of the Issuer thereunder, including actions at law and in equity, as may be appropriate.

(i) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Project Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Project Bonds are delivered to the Original Purchaser, so that they will not constitute "arbitrage bonds" under Section 103(c) of the Code, and the regulations promulgated under that section. The Fiscal Officer or any other officer having responsibility with respect to the issuance of the Project Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Legislative Authority, or any officer of the Sublessee, and upon receipt of satisfactory indemnities from the Sublessee, to give an appropriate certificate on behalf of the Issuer, for inclusion in the transcript of proceedings for the Project Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 103(c) and regulations thereunder.

Section 10. Investment of Bond Fund and Construction Fund. Moneys in the Bond Fund and Construction Fund shall be invested and reinvested by the Trustee in any Eligible Investments, provided that investments of moneys in the Bond Fund shall mature or be redeemable at the option of the holder at the times and in the amounts necessary to provide moneys hereunder to pay Bond Service Charges as they fall due and that each investment of moneys in the Construction Fund shall in any event mature or be redeemable at such time as may be necessary to make timely payments from said Construction Fund. Subject to any such orders with respect thereto, the Trustee may from time to time sell such investments and reinvest the proceeds

therefrom in Eligible Investments maturing or redeemable as aforesaid. Any such investments may be purchased from the Trustee. The Trustee shall sell or redeem investments standing to the credit of the Bond Fund to produce sufficient moneys hereunder at the times required for the purpose of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any such order.

The Trustee may, for investment purposes with respect to the various Funds, commingle moneys in such Funds. Investments made by the Trustee as provided herein shall be made only at the direction of the Sublessee or with the consent of the Sublessee.

Section 11. Indenture, Agency Agreement, Lease and Agreement. In order better to secure the payment of the Bond Service Charges as the same shall become due and payable, the Executive and Fiscal Officer of the Issuer is hereby authorized and directed to execute, acknowledge and deliver the Indenture, Agency Agreement, Lease and Agreement in substantially the forms submitted to the Issuer, which instruments are hereby approved, with such changes therein not materially inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officer executing the same. The approval of such changes by said officers, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Indenture, Agency Agreement, Lease and the Agreement, respectively, by such officer. Such officers and any other officers or employees of the Issuer may execute and delivery such other documents, agreements or certificates as are necessary to consummate the transactions contemplated by this Bond Legislation.

This Bond Legislation shall constitute a part of the Indenture as therein provided and for all purposes of said Indenture, including, without limitation thereto, application to this Bond Legislation of the provisions in the Indenture relating to amendment, modification and supplementation, and provisions for severability.

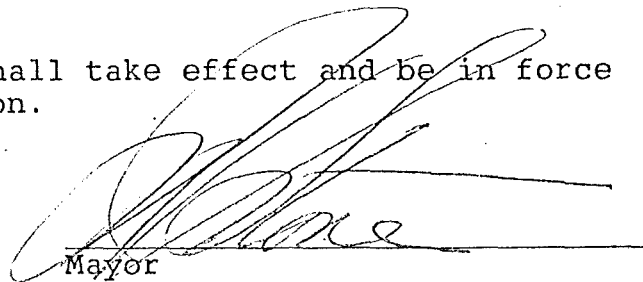
Section 12. Other Documents. The Executive and/or the Fiscal Officer are hereby further authorized and directed to execute financing statements, other assignments and any other instruments as are, in the opinion of the Legal Officer and bond counsel to the Issuer, necessary to perfect the pledges set forth in the Indenture and to consummate the transactions provided for in the Indenture, the Agency Agreement, the Lease and the Agreement.

Section 13. Compliance with Section 121.22, Ohio Revised Code. It is hereby found and determined that all formal actions of this Legislative Authority concerning and relating to the passage of this Bond Legislation were taken in an open meeting of this Legislative Authority, and that all deliberations of this Legislative Authority and of any of its committees, if any, that resulted in such formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 14. Temporary Project Bonds. Pending the preparation of definitive Project Bonds, the Issuer may execute and the Trustee shall authenticate and deliver temporary Project Bonds in printed or typewritten form. Temporary Project Bonds shall be issuable in fully registered form of any denomination, and substantially in the form of the definitive Project Bonds but with such omissions, insertions and variations as may be appropriate for temporary Project Bonds, all as may be determined by the Fiscal Officer, his execution of any such temporary Project Bonds to be conclusive evidence of his determinations as aforesaid. Every temporary Project Bond shall be executed on behalf of the Issuer, and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Project Bonds. If one or more temporary Project Bonds are issued, then without unnecessary delay the Issuer shall execute and furnish definitive Project Bonds and thereupon temporary Project Bonds may be surrendered to the Trustee in exchange therefor without charge, and the Trustee shall authenticate and deliver in exchange for such temporary Project Bonds an equal aggregate principal amount of definitive Project Bonds. Until so exchanged the temporary Project Bonds shall be entitled to the same benefits under the Indenture as definitive Project Bonds.

Section 15. Emergency Clause. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the health and public welfare in the Municipality of Centerville, Ohio, the reasons for such emergency being that the financing for the Project will be jeopardized and commencement of the Project cannot begin until the Bonds are issued, and there being an urgent necessity to take such actions as will effectuate financing for The Lutheran Social Service of the Miami Valley of the Project and thus provide health care services within the Municipality;

wherefore, this Ordinance shall take effect and be in force immediately upon its adoption.



Mayor

Attest: Marilyn J. MacFarlane
Clerk of Council

Passed: November 21, 1983

CERTIFICATE

The undersigned, Clerk of Council of the Municipality of Centerville, Ohio, hereby certifies that the foregoing is a true and complete copy of Ordinance No. 24-83, adopted on the 21st day of November, 1983, and has not been amended or rescinded as of this date.

November 21, 1983

Marilyn J. McLaughlin
Clerk of Council