

ORDINANCE NO. 5 -80

A ORDINANCE AUTHORIZING THE ISSUANCE OF \$4,425,000 INDUSTRIAL DEVELOPMENT REVENUE BONDS OF THE CITY OF CENTERVILLE, OHIO, IN ORDER TO ASSIST UNION CAMP CORPORATION, IN THE FINANCING OF COSTS OF INDUSTRIAL FACILITIES; AUTHORIZING THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT TO THE PROCEEDS DERIVED FROM THE SALE OF SAID BONDS; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS, AND AUTHORIZING THE ASSIGNMENT BY THE CITY OF CENTERVILLE, OHIO, OF A NOTE FROM UNION CAMP CORPORATION, IN ORDER TO PROMOTE THE INDUSTRIAL AND ECONOMIC DEVELOPMENT OF THE STATE OF OHIO AND BENEFIT THE PEOPLE OF THE CITY BY CREATING JOBS AND INCREASING OPPORTUNITIES FOR EMPLOYMENT AND STRENGTHENING THE ECONOMIC WELFARE OF THE CITY, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Centerville, Ohio (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 Section 13 of Article VIII of the Ohio Constitution and Chapter 165 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 industrial facilities located within the boundaries of the Issuer; (b) to enter into an agreement with the user of such facilities providing for revenues, as defined in 165.01(I) of the Ohio Revised Code, sufficient 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 and the Agreement, as hereinafter identified, upon the terms and conditions provided therein; and

WHEREAS, Union Camp Corporation is a Virginia corporation qualified to do business as a foreign corporation in the State of Ohio; and

WHEREAS, it is hereby determined by this Legislative Authority that the acquisition 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 \$4,425,000 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, OHIO 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 165 of the Ohio Revised Code, enacted and amended pursuant to Section 13 of Article VIII and other provisions of the Ohio Constitution.

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

"Agreement" means the loan agreement, provided for in Section 11 hereof, between the Issuer and the Company, dated as of February 1, 1980, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"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 hereof.

"Bond Fund Payment" means as to the Project Bonds an amount equal to the interest accrued on the Project Bonds from their date to the date of their delivery to the Original Purchaser and payment therefor, and as to the 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 date to the date of delivery of such Additional Bonds to their Original Purchaser and payment therefor.

"Bondholder" or "holder" or "holder of Bonds" means any person who is the bearer of a coupon Bond which is not registered as to principal or the principal of which is

registered to bearer, or the person in whose name a registered Bond is registered, and "holder" when used with reference to a coupon means the bearer of the coupon.

"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 service charges" for any time period means the principal, interest, and redemption premium, if any, required to be paid by the Issuer on the Bonds 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 provision described in (ii) and (iii).

"Company" means Union Camp Corporation, a Virginia corporation, and its successors and assigns including any surviving, resulting or transferee corporation as provided in Section 6.3 of the Agreement.

"Construction Fund" means the Construction Fund created by Section 6 hereof.

"Coupon" or "interest coupon" means a coupon issued hereunder evidencing an installment of interest on a coupon Bond.

"Coupon Bond registered as to principal" means any coupon Bond at the time registered as to principal in the name of the Bondholder.

"Determination of Taxability" means the first to occur of the following:

- (i) when the Company files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;

(ii) when the Company or the Issuer or the Trustee shall be advised in writing by the Commissioner or any District Director of Internal Revenue that, based upon filings of the Company or the Issuer, or upon any review or audit of the Company, or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iii) when the Company shall receive notice in writing from the Trustee that the Trustee has been advised: (A) by any Bondholder that the Internal Revenue Service has assessed as includable in the gross income of such Bondholder any interest on his Bonds due to the occurrence of an Event of Taxability; or (B) by the Commissioner or any District Director of the Internal Revenue Service that the interest on all the Bonds is includable in the gross income of all taxpaying Bondholders due to the occurrence of an Event of Taxability;

provided, however, that in respect of causes (ii) and (iii) above, a Determination of Taxability shall not be deemed to have occurred unless the Company has been afforded the opportunity to contest any such conclusion or assessment and so long as the Company is contesting in good faith and by appropriate proceeding, either directly or through a Bondholder, the allegation of an occurrence of an Event of Taxability.

"Event of Taxability" means either:

(i) the application of the proceeds of the Bonds in such manner that the Bonds become "arbitrage bonds" within the meaning of Section 103(c) of the Code, with the result that the interest payable on the Bonds becomes includable in the gross income of one or more holders of the Bonds, other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 103(b)(8) of the Code; or

(ii) the application of the proceeds of the Bonds in a manner not in accordance with Section 103(b)(6) of the Code, with the result that interest payable on the Bonds becomes includable in the gross income of one or more holders of the Bonds, other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 103(b)(8) of the Code.

"Eligible Investments" means (i) obligations issued or guaranteed by the United States of America or by any person

controlled or supervised by and acting as an instrumentality of the United States pursuant to the authority granted by Congress; (ii) obligations issued or guaranteed by any state or political subdivision thereof rated A or higher by Moody's Investors Service, Inc. or by Standard & Poor's Corporation, both of New York, New York, or their successors; (iii) commercial or finance paper which is rated either P-2 or A-2 or an equivalent or superior rating by Moody's Investors Service, Inc. or Standard & Poor's Corporation, both of New York, New York, or their successors; (iv) bankers' acceptances drawn on and accepted by commercial banks; (v) certificates of deposit of banks or trust companies, including the Trustee, organized under the laws of the United States of America or any state thereof, which must have a reported capital and surplus of at least \$20,000,000 in dollars of the United States of America; and (vi) repurchase agreements fully secured by obligations of the type specified in (i) above; provided that any such investment or deposit shall not be prohibited by law.

"Executive" means the City Manager of the Issuer; "Fiscal Officer" means the Director of Finance of the Issuer; and "Legal Officer" means the Municipal Attorney of the Issuer. "Legislative Authority" means the City Council of the Issuer. Any officer or board, commission or other body which hereafter succeeds, by operation of law, to the powers and duties of any such officers shall be deemed included in the applicable official designation while having such powers and duties.

"Indenture" means the trust indenture, provided for in Section 11 hereof, between the Issuer and the Trustee, dated as of February 1, 1980, including this Bond Legislation as part thereof, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Independent Auditor" means a certified public accountant or firm of certified public accountants duly admitted to practice accounting in the State and not an employee on a full-time basis of either the Issuer or the Company (but who or which may be regularly retained by either).

"Interest Payment Date" means, as to the Project Bonds, the first day of each February and August and, as to Additional Bonds, the date or dates identified as such in the Bond Legislation authorizing such Additional Bonds.

"Loan" means the loan by the Issuer to the Company of the proceeds from the sale of the Project Bonds to the Original Purchaser, after deducting the Bond Fund Payment, as the same

may hereafter be increased from the proceeds from the sale of Additional Bonds.

"Loan Payments" means the amounts required to be paid by the provisions of Section 2.1 of the Agreement in repayment of the Loan.

"Note" or "Notes" means the Promissory Note of even date herewith constituting an unconditional promise of the Company to repay the Loan to the Issuer, and in the form of the Note attached as Exhibit A to the Agreement, and any additional Promissory Note or Notes executed and delivered with respect to Additional Bonds.

"Original Purchaser" means, as to the Project Bonds, E. F. Hutton & Company Inc., New York, New York, 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 "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 Company shall be disregarded and deemed to be not outstanding.

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

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

"Pledged Receipts" means (a) the Loan Payments, including the payments of principal of and interest and any premium on the Note, (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, or the Trustee for the account of the Issuer, pursuant to the Agreement or in respect to the Loan, (c) the proceeds of the Bonds deposited in the Bond Fund and (d) the income and profit from the investment of the Loan Payments and any other moneys held by the Trustee under the Indenture.

"Project" means the real, personal and real and personal property, including undivided or other interests therein, identified in Exhibit B 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, and acquired, constructed or installed in replacement or substitution therefor or in addition thereto, and as may result from a revision of the Plans and Specifications (as defined in the Agreement) in accordance with the provisions of the Agreement.

"Project Bonds" means the Bonds authorized in Section 3 hereof and designated "Industrial Development Revenue Bonds (Union Camp Corporation Project)".

"Project Purposes" means the purposes of an industrial, commercial, distribution or research facility as described in the Act.

"Registered Bonds" means Bonds registered in the name of the holder, including coupon Bonds registered as to principal (except to bearer) and fully registered Bonds; and "fully registered Bonds" means Bonds without coupons registered as to both principal and interest.

"State" means the State of Ohio.

"Trustee" means the Trustee at the time serving under the Indenture, originally Manufacturers Hanover Trust Company, 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 the 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 Company 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 property acquired by the Company by purchase, acquisition and equipping, through the Loan is now and after improvement will be useful to the Project (consisting generally of a industrial facility), and the utilization of such property in the creation and location of the Project is economically sound; and
- (b) the Project is a "project" as that term is defined in Section 165.01 of the Ohio Revised Code, is

consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution and the Act and will benefit the people of the Issuer by creating jobs and employment opportunities and promoting the industrial and economic development of the Issuer and the State.

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, \$4,425,000 aggregate principal amount of Project Bonds for the purpose of making a loan to assist the Company in the financing of costs of acquiring and equipping the Project to be owned by the Company and used by the Company for the Project Purposes, including costs incidental thereto and to the financing thereof. Said Project Bonds shall be designated "Industrial Development Revenue Bonds (Union Camp Corporation 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 initially be issued in coupon or fully registered form, or both, as may be requested by the Original Purchaser thereof, shall be exchangeable for fully registered or coupon Bonds in the manner and on the terms provided in the Indenture, and shall be numbered from 1 to 885, inclusive, in the case of coupon Project Bonds, and from R-1 upwards, in the case of fully registered Project Bonds. Project Bonds in coupon form shall be in the denomination of \$5,000 each, shall be registrable as to principal, and shall be dated as of February 1, 1980. Project Bonds in fully registered form shall be in the denominations of \$5,000 and any integral multiple thereof.

Each Project Bond in fully registered form shall be dated as provided in Section 2.04 of the Indenture.

The Project Bonds shall bear interest from their respective dates at the rate of seven and one-half percent (7.50%) per annum (computed on the basis of a 360 day year, 30 day month) payable semi-annually on August 1 and February 1 of each year, beginning August 1, 1980. The Project Bonds shall mature on February 1, 2010.

Any of the Project Bonds are subject to optional redemption by the Issuer, at the direction of the Company, in whole on February 1, 1990, and on any date thereafter, or in part on February 1, 1990 or on any Interest Payment Date

thereafter, at the redemption prices (expressed as percentages of the principal amount thereof) set forth as follows, plus accrued interest to the redemption date:

<u>Redemption Date (Inclusive)</u>	<u>Redemption Price</u>
February 1, 1990 through January 31, 1991	103.00%
February 1, 1991 through January 31, 1992	102.50%
February 1, 1992 through January 31, 1993	102.00%
February 1, 1993 through January 31, 1994	101.50%
February 1, 1994 through January 31, 1995	101.00%
February 1, 1995 through January 31, 1996	100.50%
February 1, 1996 and thereafter	100.00%

In the event the Company exercises its option to prepay the Loan as provided in Section 8.2 of the Agreement, the Project Bonds are subject to extraordinary optional 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. Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay the Loan pursuant to Section 8.2 of the Agreement and shall concurrently prepay the Note, shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for extraordinary 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 (i) 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 Company in good faith to such extent that the Note and the obligations evidenced thereby are no longer enforceable by the holder thereof, or (ii) interest on the Project Bonds shall have become subject to Federal income tax because of a Determination of Taxability not resulting from any default by the Company under Section 6.8 or 6.9 of the Agreement. In the

event that interest on the Project Bonds becomes subject to Federal income tax because of a Determination of Taxability as a result of a default by the Company under Section 6.8 or 6.9 of the Agreement, the Project Bonds shall be subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 107.50% of the principal amount thereof plus accrued interest to the redemption date and an additional amount equal to 1.875% of the principal amount of each Project Bond so redeemed for each three (3) month period, or any part thereof, which elapses from the date twelve (12) months after the occurrence of the Event of Taxability giving rise to such Determination of Taxability to and through the date of such redemption. Any such redemption shall be made not more than 180 days following the effective date of any such constitutional amendment, legislation, administrative action or final decree, judgment or order, or following the date of the Determination of Taxability (excluding any determination that interest is subject to Federal income tax with respect to any Bond held by a "substantial user" of the Project or by a "related person" thereof, as those terms are used in Section 103 (b) (8) of the Code). Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall prepay the Loan in full as required under Section 8.3 of the Agreement and shall concurrently prepay the Note, shall constitute the direction from the Issuer to the Trustee to call all 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.

If less than the entire unmatured portion of the Project Bonds be called for redemption at any time or from time to time, the selection of such Project Bonds or portions of fully registered Project Bonds shall be made by the Trustee in such reasonable manner as the Trustee may determine.

Notice of the call for any redemption of Project Bonds, identifying by designation, letters, numbers, or other distinguishing marks, the Project Bonds (in amounts of \$5,000 or any integral multiple thereof) or portions of fully registered 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 at least one publication in a newspaper or financial journal of general circulation published in the City and State of New York, the first such publication to be not less than thirty nor more than sixty days prior to the redemption date, and, in the

case of the redemption of Project Bonds at the time in the form of registered Bonds, 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. If, because of the temporary or permanent suspension of the publication or general circulation of the appropriate newspapers or financial journals or for any other reason, it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice. If all of the Project Bonds to be redeemed are at the time in the form of registered Bonds, notice of the call for redemption may be given by mailing a copy of the redemption notice by first class mail at least thirty (30) days prior to the date fixed for redemption to the holder or holders thereof at the address shown on the registration books kept by the Trustee and newspaper or financial journal publication of the notice of the call for redemption need not be given; provided, however, that failure to give such notice to any Bondholder by mailing, or any defects in such notice to any Bondholder, shall not affect the validity of the proceedings for the redemption of any of the other Project Bonds.

Bond service charges on Project Bonds in coupon form, other than principal of or any redemption premium on such Bonds registered as to principal (except to bearer), shall be payable, without deduction for services as paying agent, at the corporate trust office of Manufacturers Hanover Trust Company, the Paying Agent. The principal of and any redemption premium on registered Project Bonds shall be payable at the corporate trust office of the Trustee or the Paying Agent and interest on fully registered Project Bonds shall be payable by check or draft as provided in the Indenture.

The Project Bonds shall be executed on behalf of the Issuer by its Executive Officer and Fiscal Officer, provided that any or all of such signatures may be facsimiles, and shall bear the corporate seal of the Issuer or a facsimile thereof, and the interest coupons attached thereto, in the case of coupon Project Bonds, shall bear the facsimile signature of the Fiscal Officer.

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 coupon Bonds registrable as to principal or as fully registered Bonds, and may be exchanged as between forms, all as provided in the Indenture. All Bonds shall be negotiable instruments within the meaning of Chapter 165 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 and coupons 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 or coupons shall cease to be such officer before the issuance, authentication or delivery of such Bonds or coupons, 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 or portions of fully registered 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 or portions of fully registered Bonds shall cease to bear interest and any coupons for interest thereon maturing subsequent to the redemption date shall be void.

Section 5. Security Pledged for Bonds. As provided herein, the Bonds shall be equally and ratably payable solely from the Pledged Receipts and secured by a pledge of and lien on moneys deposited in the Bond Fund (comprising moneys constituting Pledged Receipts), and further secured by the Indenture and by the pledge and assignment of the Note (assigned by the Issuer to the Trustee pursuant to the Indenture); and anything in the Bond Legislation, the Bonds, or the Indenture to the contrary notwithstanding, neither the Bond Legislation, the Bonds, 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 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 Pledged 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, the 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 99% of the principal amount of the Project Bonds plus accrued interest from February 1, 1980, 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 rate for the Project Bonds and the manner of sale, as provided in this Bond Legislation, are in accordance with 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 her, along with such information from 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 Bond Fund Payment shall be deposited 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 "City of Centerville-Union Camp Construction Fund" (herein called the "Construction Fund"). After deducting the Bond Fund Payment required by the preceding paragraph to be paid otherwise than to the Construction Fund,

the balance of the proceeds of the Project Bonds shall be deposited in the Construction Fund as the Loan to the Company provided for in the Agreement. 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 payable in clearing house or Federal Reserve Bank funds or to transfer by Federal Reserve Bank wire, as directed by the Authorized Company Representative (as defined in the Agreement) for each disbursement required by the provisions of the Agreement. The Issuer covenants and agrees promptly to take whatever action, if any, is necessary in approving and ordering all such disbursements.

Monies in the Construction Fund shall be applied in accordance with Article IV of the Agreement. Any monies remaining in the Construction Fund after payment of such costs will at the direction of the Company be used to redeem Bonds or paid into the Bond Fund; provided, however, that prior to such transfer to the Bond Fund, if required by Section 4.2(e) of the Agreement, an opinion be obtained from a firm of nationally recognized bond attorneys that such transfer will not jeopardize the tax exempt status of the Bonds.

Monies in the Construction Fund can be disbursed by the Trustee only upon receipt of a requisition certifying that the expenditures are proper charges against the Construction Fund, and have not been previously paid.

Section 7. Source of Payment-Bond Fund. As provided in the Agreement, Loan Payments sufficient in time and amount to pay the Bond service charges as they come due, are to be paid by the Company directly to the Trustee for the account of the Issuer and deposited in the Bond Fund. Under the provisions of the Agreement, payments with respect to the Note received by the Trustee shall be deposited into the Bond Fund for the account of the Issuer and shall constitute Loan Payments.

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 "City of Centerville-Union Camp 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 Bond service charges as they fall due at stated maturity or by redemption, all as provided herein and in the

Indenture and the Agreement, provided that no part thereof (except as may otherwise be provided for herein and in the Indenture or the Agreement) shall be used to redeem, prior to maturity, any Bonds.

On or before each date when Bond service charges are due and payable, the Trustee shall transmit from moneys in the Bond Fund applicable thereto to any other Paying Agents, as appropriate, amounts sufficient to meet payments to be made by them of Bond service charges then to be due and payable; provided that to the extent that the amount needed by any other Paying Agent is not sufficiently predictable, the Trustee may make such credit arrangements with such Paying Agent as to permit meeting such payments.

There shall be deposited into the Bond Fund (and credited, if required by the Indenture or the Agreement, to appropriate accounts therein), as and when received, (a) all Loan Payments and (b) all other Pledged Receipts.

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 Pledged 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, provided that before taking any such action, the Issuer may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability. 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 Pledged 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 to the date or dates of such redemption, to take and cause to be taken, at the direction of the Company, 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 Company, if the Company is not then in default under the Agreement, 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 loans to the Company for: (i) completion of the Project, including additional costs incurred in acquiring and equipping the Project, or (ii) the acquisition for the Project of real estate or interests therein, or repairs to the Project of a major nature arising from casualty or unanticipated conditions, or (iii) the acquisition, construction, installation and equipping of additional industrial, commercial, distribution or research facilities to be used in connection with the Project, or to be used in connection with other facilities located within the boundaries of the Issuer which are owned in whole or in part by the Company, or any combination thereof, or (iv) refunding the Project Bonds or any one or more series of Additional Bonds, or (v) 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 (iv), be used solely to pay permissible costs under the Act. 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 (a) any necessary amendment of the Agreement to provide for increased Loan Payments so that the aggregate of the Loan Payments thereafter payable under the Agreement shall be sufficient in amount to make all required payments into the Bond Fund in order to pay when due Bond service charges on all Bonds then to be outstanding, and for all Additional Payments (as defined in the Agreement) by the Company under the provisions of the Agreement and the Bond Legislation, and (b) 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.

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 Pledged 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 the Bond Legislation, the Agreement, the Indenture 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 or the 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 and the 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 and the Agreement have been or will be duly and effectively taken; and that the Project Bonds and the coupons pertaining thereto 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 the Bond Legislation, Indenture, Agreement and 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) Pledged Receipts. Except as otherwise provided in the Bond Legislation, Indenture and 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 create any debt, lien or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the Pledged Receipts, including the moneys in the Bond Fund, other than the pledge and assignment thereof under the Bond Legislation, Indenture and Agreement.

(d) Recordings and Filings. The Issuer will cause (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 Pledged 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 payable to bearer. Any Bondholder may in a writing addressed to the Issuer or Trustee request that his name and address be placed on said list, which request shall include a statement of the principal amount of Bonds held by such holder and shall identify, by number and series designation, such Bonds. Neither the Issuer nor the Trustee shall be under any responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Company, 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 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 Company under and pursuant to the Agreement and Note, whether or not the Issuer is satisfactorily pursuing or enforcing such rights and obligations.

(h) Maintenance of 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 Agreement, and will take all actions within its authority to maintain 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 Internal Revenue Code of 1954, as amended, 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 Company, and upon receipt of satisfactory indemnities, 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 the Construction Fund shall be invested and reinvested by the Trustee in any Eligible Investments, in accordance with and subject to any orders of the Authorized Company Representative (as defined in the Agreement) with respect thereto. The Trustee is directed to sell and convert to cash at the written direction of the Company a sufficient amount of such investments whenever the cash held in the Construction Fund is insufficient to pay a requisition when presented or to otherwise make a timely disbursement required to be made therefrom, and is further directed to sell and convert to cash at the written direction of the Company a sufficient amount of such investments in the Bond Fund whenever the cash held in the Bond Fund is insufficient to provide for the payment of the principal of (whether at the maturity date or redemption date prior to maturity) and interest on the Bonds as the same become due and payable. 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. An investment made from moneys credited to the Bond Fund or the Construction Fund shall constitute part of that respective Fund and such respective Fund shall be credited

with all proceeds of sale and income from such investment. For purposes of the Indenture and this Bond Legislation, such investments shall be valued at face amount or market value, whichever is less.

Section 11. Indenture and Agreement. In order better to secure the payment of the Bond service charges as the same shall become due and payable, the Executive Officer and Fiscal Officer are hereby authorized and directed to execute, acknowledge and deliver an indenture and loan agreement in substantially the forms submitted to the Issuer, and to endorse upon the Note the assignment thereof to the Trustee, which instruments are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers 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 and the Agreement, respectively, and by endorsement of the Note, by such officers.

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 and 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. Prevailing Rates of Wages. All laborers and mechanics employed on the Project shall be paid at the

prevailing rates of wages of laborers and mechanics for the class of work called for by the Project, which wages shall be determined in accordance with the requirements of Chapter 4115 of the Ohio Revised Code, for determination of prevailing wages, provided that should the Company or other nonpublic user beneficiary of the Project undertake, as part of the Project, construction to be performed by its regular collective bargaining unit employees who are covered under a collective bargaining agreement which was in existence prior to the date of the commitment instrument undertaking to issue the Project Bonds, then, in that event, the rate of pay provided under the collective bargaining agreement may be paid to such employees.

Section 15. Election by Issuer. The Issuer hereby elects with respect to the Project Bonds to be within the limitation imposed by the provision of Section 103 (b) (6) (D) of the Code, and the Executive Officer or Fiscal Officer is hereby authorized and directed to perform any and all acts and provide such information as may be required by the Secretary of the Treasury, his delegate, or the Internal Revenue Service in order to implement such election.

Section 16. Emergency Clause. This Bond Legislation which is authorizing the borrowing of money within the meaning of Section 5.05 of the Charter of the Municipality of Centerville, Ohio, is hereby determined to be an emergency measure necessary for the immediate preservation of the public peace, welfare and safety of the City and shall go into effect forthwith and shall not stand repealed as of the 61st day following its adoption. The reason for the emergency is that the acquisition and equipping of said facility will assist in maintaining the economic stability of the City and provide additional job opportunities within the State of Ohio and the City and enhance the economic welfare of said State.

Section 17. Effective Date. This ordinance shall be effective from and after the earliest date permitted by law.

ADOPTED THIS 11th day of February, 1980

Attest:

Marilyn M. Gough
Clerk of Council

[Signature]
Presiding Officer

CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies that the foregoing is a true and complete copy of Ordinance No. 5-80, duly adopted on the 11th day of February, 1980, and that such Ordinance No. 5-80 remains in full force and effect and has not been amended or rescinded as of this date.

February 11, 1980

Marilyn J. McLaughlin
Clerk of Council
City of Centerville, Ohio