

SPONSORED BY COUNCILMAN J.V. Stone on the 10th day of Sept, 1979.

ORDINANCE AUTHORIZING THE ISSUANCE OF A \$735,000 INDUSTRIAL DEVELOPMENT FIRST MORTGAGE REVENUE BOND (HYAMS PROJECT) OF THE CITY OF CENTERVILLE, OHIO, FOR THE PURPOSE OF MAKING A LOAN TO ASSIST NORMAN HYAMS IN THE FINANCING OF COSTS OF A "PROJECT" WITHIN THE MEANING OF CHAPTER 165, OHIO REVISED CODE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT PERTAINING TO THE PROJECT.

WHEREAS, the City of Centerville, Ohio is a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, and 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, is authorized and empowered, among other things, (a) to issue its revenue bonds for the purpose of making a loan to assist in the financing of costs of acquiring, constructing, equipping and improving a "project" as defined in Section 165.01 of the Ohio Revised Code, comprising a commercial facility, (b) to enter into a loan agreement and to accept security interests to evidence and secure such indebtedness and to provide for "revenues", as defined in said Section 165.01, sufficient to pay the principal of and premium, if any, and interest on such revenue bonds, (c) to secure such revenue bonds by an assignment of and grant of a security interest in revenues, as provided for herein, and (d) to enact this Bond Legislation and enter into the Loan Agreement, all as hereinafter defined, upon the terms and conditions provided therein;

NOW THEREFORE;

THE MUNICIPALITY OF CENTERVILLE HEREBY ORDAINS:

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

"Act" means Chapter 165, Ohio Revised Code, as enacted and amended pursuant to Section 13 of Article VIII of the Ohio Constitution.

"Agreement" means the Loan Agreement between the Issuer and the Company, dated as of October 1, 1979, as it may be amended, modified or supplemented in accordance with the applicable provisions thereof.

"Assignment" means the assignment of the Agreement and the Pledged Receipts, of even date with the Agreement, from the Issuer to the Holder.

"Authorized Company Representative" means the person at the time designated pursuant to the Agreement to act on behalf of the Company.

"Bond Legislation" means this Ordinance 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 Project Bond for such time period.

"Company" means Norman Hyams and his lawful successors and assigns.

"Executive" means the City Manager of the Issuer.

"Financial Institution" means any life or casualty insurance company or any state or federally chartered commercial bank, savings and loan association or mutual savings association insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

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

"Holder" means the Original Purchaser as the initial holder of the Project Bond and the Mortgage and its lawful successors, or, in the event of transfer and assignment thereof, the Financial Institution at the time holding the Project Bond and the Mortgage.

"Issuer" means the City of Centerville, Ohio, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio.

"Legal Officer" means the Municipal Attorney of the Issuer.

"Legislative Authority" means the Council of the Issuer.

"Loan" means the loan by the Issuer the Company of the proceeds from the sale of the Project Bond.

"Loan Payments" means the amounts required to be paid by the Company pursuant to the provisions of Section 4.1 of the Agreement in repayment of the Loan.

"Original Purchaser" means Gem City Savings Association.

"Person" means a natural person, firm, association, corporation or a public body.

"Project" means, collectively, (a) the real estate at the time comprising the "Project Site", as defined in the Agreement and (b) the real, personal, or real and personal property at the time comprising the "Project Facilities" as defined in the Agreement.

"Project Bond" means the Industrial Development First Mortgage Revenue Bond authorized in Section 3 hereof.

"Project Purpose" means acquiring, constructing, equipping and improving real and personal property comprising a restaurant facility and other related products and such related or subsequent uses as are permitted by the Agreement.

"State" means the State of Ohio.

Any reference herein to the Issuer or to any officers thereof or to the Legislative Authority, or to any officers thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference to a section or provision of the Ohio Constitution 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 that no such amendment, modification, revision, supplementation or supersession shall alter the obligation to pay the Bond service charges in the amount and manner, at the times, and from the sources provided in the Bond Legislation and the Mortgage, except as otherwise herein permitted.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

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 Mortgage.

Section 2. Determinations of Legislative Authority. It is hereby determined that (a) the Project is a project as defined in the Act and is consistent with the purposes of Section 13 of Article VIII, Ohio Constitution; (b) the utilization of the Project is in furtherance of the purposes of the Act and will benefit the people of the Issuer and of the State by creating and preserving jobs and employment opportunities and improving the economic welfare of the people of the Issuer and of said State; and (c) the provision of loan assistance in the financing of costs of acquiring, constructing, equipping and improving the Project, including the financing thereof, will require the issuance, sale and delivery of the Project Bond in the principal amount of \$735,000, which shall be payable and secured as provided herein.

Section 3. Authorization and Terms of Project Bond. 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, a Project Bond in the principal amount of \$735,000 for the purpose of making a loan to assist the Company in the financing of costs of acquiring, constructing, equipping and improving the Project for the Project Purpose. The Project Bond shall be designated "Industrial Development Revenue Bond (Hyams Project)."

The Project Bond shall be issued in the single denomination of \$735,000, substantially in the fully registered form attached hereto as Exhibit A (which is incorporated herein by reference and made a part hereof as if fully set forth herein), and shall be subject to optional prepayment, as set forth herein and in said Exhibit A, at the place set forth therein.

The Project Bond shall be dated as of October 1, 1979 but shall bear interest from the date of its delivery to the Holder (which date shall appear on the face of the Project Bond), at the rate of 8-1/2% per annum, and shall be payable as to interest on the 15th day of March, June, September and December next succeeding the first advance pursuant to the Construction Loan Agreement and as to principal and interest in equal monthly installments commencing on completion of the Construction Phase sufficient to amortize the principal of the Bond in 25 years continuing for 15 years at which time the entire remaining balance shall be due and payable, all as more fully set forth in the Project Bond.

In the event of any final determination with respect to the tax liability of the holder of the Project Bond that the interest on the Project Bond is wholly or partially includable for federal income tax purposes in the gross income of such Holder (other than the event that the holder is a "substantial

user" of the Project or a "related person" as those terms are used in Section 103(b)(8) of the Internal Revenue Code of 1954, as amended), the Project Bond shall from the date on which such interest effectively becomes taxable and until all the installments due on the Project Bond shall have been paid bear interest at a rate of 13% per annum and Loan Payments shall be appropriately increased to effect amortization over the original period. As used herein, "final determination" shall be deemed to have occurred upon receipt by the Holder of the Project Bond of a ruling or technical advice by the Internal Revenue Service in which the Company has participated or shall have had an opportunity to participate or a written opinion of an attorney or firm of attorneys of recognized standing on the subject of municipal bonds selected by the Holder and approved by the Company, which approval shall not be unreasonably withheld.

The Project Bond shall be payable as to principal and interest in lawful money of the United States, shall be a negotiable instrument (subject to the provisions therein restricting transfer) and shall express on its face the purpose for which it is issued and such other statements or legends as may be required by law. The Project Bond shall not be transferred by any Holder to other than a Financial Institution and any purported transfer to other than a Financial Institution shall be void and of no effect.

Bond service charges on the Project Bond shall be payable at the principal office of the Holder.

The Project Bond shall be executed on behalf of the Issuer by the Executive and the Fiscal Officer, provided that any or all of such signatures may be facsimiles, and shall bear the seal of the City or a facsimile thereof.

Section 4. Payment of and Security for the Project Bond. The Project Bond shall be secured by a pledge and assignment of the Pledged Receipts. Anything in this Bond Legislation or the Project Bond to the contrary notwithstanding, neither the Bond Legislation, the Project Bond, nor the Agreement shall constitute a debt or a pledge of the faith and credit of the Issuer, and the Project Bond shall contain on the face thereof a statement to that effect and that such Bond is payable solely from the Pledged Receipts; provided, that nothing herein shall be deemed to prohibit the Issuer, of its own volition, from using to the extent lawfully authorized to do so any other resources for the fulfillment of any of the terms, conditions or obligations of the Bond Legislation or of the Project Bond.

Section 5. Sale of Project Bond. The Project Bond is hereby sold and awarded to the Holder, in accordance with its offer therefor, at a purchase price equal to the par value thereof. The Executive, the Fiscal Officer and the Clerk of the Legislative Authority are authorized and directed to make the necessary arrangements with the Holder to establish the date, location, procedure and conditions for the delivery of the Project Bond to the Holder, and to take all steps necessary to effect due execution and delivery to the Holder of the Project Bond under the terms of this Bond Legislation to the extent not provided for in said written offer. It is hereby determined that the price for and the terms of the Project Bond, and sale thereof, all as provided in this Bond Legislation, are in the best interest of the Issuer and in compliance with all legal requirements.

Section 6. Allocation of Proceeds of Project Bond - Construction

Fund. The proceeds from the sale of the Project Bond shall be disbursed in accordance with the Construction Loan Agreement as defined in the Agreement.

Section 7. Source of Payment of Project Bond. 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 Holder for the account of the Issuer.

The Issuer hereby covenants and agrees that, until the entire principal of and premium, if any, and interest on the Project Bond shall have been paid, (i) it will pay, or cause to be paid, to the Holder, Pledged Receipts sufficient in time and amount to pay the Bond service charges as the same become due and payable, (ii) it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement, and (iii) should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Holder to fully protect the rights and security of the Holder hereunder; provided that 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. Nothing in this Bond Legislation is intended to prevent the Company from delivering moneys to the Holder pursuant to Sections 7.1 and 7.2 of the Agreement to be used to prepay unpaid principal installments on the Project Bond in accordance with those Sections and the applicable provisions of the Project Bond, and the Holder shall promptly apply such moneys to the prepayment of such installments in accordance with the Company's instructions.

Section 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Bond Legislation contained, the Issuer further covenants and agrees as follows:

(a) Payment of Bond Service Charges. The Issuer will, solely from the sources herein provided, pay or cause to be paid the Bond service charges on the Project Bond on the dates, at the places and in the manner provided herein and in the Project Bond.

(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 Agreement, the Bond Legislation and in the Project Bond and all proceedings of its Legislative Authority pertaining thereto, on its part to be performed or observed. The Issuer covenants that it is, and upon delivery of the Project Bond will be, duly authorized by the Constitution and laws of the State of Ohio, including particularly and without limitation the Act, to issue the Project Bond, to execute the Agreement and the Assignment and to provide the security for payment of the Bond service charges in the manner and to the extent herein and in the Project Bond set forth; that all actions on its part for the issuance of the Project Bond and execution and delivery of the Agreement and the Assignment have been or will be duly and effectively taken; and that the Project Bond in the hands of the Holder will be a valid and enforceable special obligation of the Issuer according to the terms thereof. Each obligation of the Issuer required to be undertaken pursuant

to the Bond Legislation, the Agreement, the Assignment and the Project Bond is binding upon the Issuer, and such officer or employee thereof 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 such obligation, as a duty of the Issuer and of each such officer and employee 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 and Agreement, the Issuer will not assign or grant a security interest in the Pledged Receipts or create or suffer to be created any debt, lien or charge thereon other than the assignment and grant thereof under this Bond Legislation and the Assignment.

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

(e) Rights under Agreement. The Holder, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Company under and pursuant to the Agreement, whether or not the Issuer is in default of the pursuit or enforcement of such rights and obligations.

(f) Enforcement 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 its part under the Agreement, and will take all actions within its authority to keep 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.

(g) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Project Bond in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for such Project Bond, so that the Project Bond will not constitute arbitrage bonds under Section 103(c) of the Internal Revenue Code and the applicable income tax regulations under that Section. The Fiscal Officer or any other officer having responsibility for issuing the Project Bond is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, or with the Company or any employee, consultant or agent of the Company, to give an appropriate certificate of the Issuer, for inclusion in the transcript of proceedings for the Project Bond, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Project Bond and the facts and estimates on which they are based, such certificate to be premised on the reasonable expectations and the facts and estimates on which they are based as provided by the Company, all as of the date of delivery of and payment for such Project Bond. The Clerk of the Legislative Authority, or other appropriate officer of the Issuer, shall furnish to the Holder a true transcript of proceedings, certified by said Clerk or officer, of all

proceedings had with reference to the issuance of the Project Bond along with such information from the records as is necessary to determine the regularity and validity of the issuance of said Project Bond.

(h) Prevailing Wage Rates. As provided in Section 165.031 of the Ohio Revised Code, all wages paid to laborers and mechanics employed on the Project shall be paid at the prevailing rates of wages for 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 wage rates, provided that should the Company undertake, as part of the Project, construction to be performed by the Company's regular 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 Bond then, in that event, the rate of pay provided under the collective bargaining agreement may be paid to such employees.

Section 10. Agreement, Mortgage and Assignment. In order to secure the payment of the Bond service charges as the same shall become due and payable, the Executive and the Fiscal Officer or the Clerk of the Legislative Authority are hereby authorized and directed to execute, acknowledge and deliver, in the name and on behalf of the Issuer, the Agreement and the Assignment, in substantially the forms submitted to this Legislative Authority, 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 on behalf of the Issuer. 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 such instruments.

Section 11. Other Documents. The Executive, Fiscal Officer, and the Clerk of the Legislative Authority, as appropriate, are hereby further authorized and directed to execute such certifications, financing statements, assignments and instruments as are in the opinion of the Legal Officer necessary or appropriate to perfect the assignments and grants set forth herein and in the Assignment and to consummate the transactions provided for in the Agreement and the Assignment.

Section 12. Delivery of Project Bond. Before the Project Bond is delivered there shall be delivered to the Holder:

- (a) A copy, duly certified by the Clerk of the Legislative Authority, of this Bond Legislation; and
- (b) An original executed counterpart of the Agreement, the Mortgage and the Assignment;
- (c) Written title evidence that the Company has a good and marketable title in fee simple to the Project Site as defined in the Agreement and that the Holder has a valid first mortgage on the Project Site subject only to (i) taxes and assessments not delinquent, (ii) liens and encumbrances permitted by the terms and provisions of the Mortgage, and (iii) the Mortgage. Such title evidence shall consist of an Owner's Policy of Title Insurance or a commitment therefor in the name of the Company and a current ALTA form of loan policy of title insurance, or commitment therefor, in the name of the Holder and in an amount of not less than \$735,000, both issued by a title company authorized to transact business in the State of Ohio.

Section 13. Payment and Discharge. If the Issuer shall pay or cause to be paid the Project Bond, the covenants, agreements and other obligations of the Issuer hereunder and in the Project Bond, the Agreement, the Mortgage and the Assignment shall be discharged and satisfied.

Section 14. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Legislative Authority concerning and relating to the adoption of this Bond Legislation were adopted in an open meeting of this Legislative Authority, and that all deliberations of this Legislative Authority and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 15. Payments Due on Sundays and Holidays. In any case where the date of maturity of or due date of interest on or principal of the Project Bond shall be a Sunday or a day on which the Holder is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal need not be made on such date but may be made on the next succeeding business day on which the Holder is open for business with the same force and effect as if made on the date of maturity or such due date and no interest shall accrue by reason of such delay.

Section 16. Effective Date. This Ordinance shall become effective from and after the earliest date allowed by law.

PASSED THIS 10th day of September, 1979

ATTEST:

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

Victor A. Ghee
Mayor of the City of Centerville,
Ohio

CERTIFICATE

The undersigned, Clerk of the Council of the City of Centerville, Ohio hereby certifies the foregoing to be a true and correct copy of Ordinance No. 35-79, passed by the Council of the City of Centerville, Ohio. on the 10th day of September, 1979.

Marilyn J. McLaughlin
Clerk of the Council

Exhibit A

STATE OF OHIO
CITY OF CENTERVILLE
INDUSTRIAL DEVELOPMENT REVENUE BOND
(HYAMS PROJECT)

The City of Centerville, Ohio (hereinafter called the "Issuer"), a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, for value received, promises to pay to Gem City Savings Association or registered assigns, (hereinafter called the "Holder") but solely from the sources and in the manner hereinafter referred to, the principal sum of

SEVEN HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$735,000.00)

or so much thereof as may be disbursed pursuant to the Loan Agreement between Norman Hyams and the Issuer dated October 1, 1979 (Loan Agreement) and to pay from said sources interest on the unpaid balance of the principal sum hereof from and after October 5, 1979 (the date of the original delivery of this Bond), at the rate of 8-1/2% per annum subject to adjustment as hereinafter provided. Interest on this Bond shall be calculated on a 360 day year. Interest shall be calculated on the unpaid daily balances on the last day of the month preceding the month in which an interest payment is due or to be paid and computed through the end of the month in which such interest payment is due or to be paid. Interest only shall be payable on the 15th day of each March, June, September and December and on the last day of the month in which the Completion Date (as defined in the Loan Agreement) occurs. Thereafter, principal and interest shall be paid in 180 consecutive monthly installments sufficient to fully amortize the principal amount with interest over a 25 year period with the first such installment due on the first day of the second month next succeeding the month in which the Completion Date occurs, each such installment to be applied first to the payment of interest on the unpaid principal sum hereof and the balance to be applied to the payment of such principal sum. Such principal and interest shall be payable as follows: The first 179 monthly installments shall be in the amount of \$5,920 each and the final installment shall be in an amount equal to the then remaining unpaid principal balance and interest. Prepayments, in addition to said monthly payments, may be made to the Holder at any time and shall be applied to the payment of accrued interest, if any, then due and the balance to the principal, in the inverse order of maturities of said fixed installments, provided that if any prepayment in the aggregate during any one loan year (defined as any year beginning on any anniversary date of the issuance of this Bond) exceeds \$73,500.00 during the first ten loan years, the first of such excess prepayments shall be accompanied by a charge of 2% of the original principal sum. The fixed monthly installments of principal and interest are not subject to reduction or abatement in any amount upon any prepayment to the Holder. Principal of and interest on this Bond are payable in lawful money of the United States of America, without deduction for the services of the Holder as the paying agent, upon presentation of this Note for proper endorse-

ment on Schedule A attached hereto of principal and interest paid and its presentation and surrender upon the final payment of principal and interest at the principal office of the Holder, presently Gem City Savings Association.

This Bond represents the duly authorized Industrial Development Revenue Bond (Hyams Project) hereinafter called the "Project Bond" or the "Bond", in the principal amount of \$735,000.00, authorized by ordinance duly passed by the council of the Issuer on Sept 10, 1979 (hereinafter called the "Bond Legislation"). Reference is hereby made to the Bond Legislation for a more complete description of the terms and conditions upon which the Project Bond is issued and the right, duties and obligations of the Issuer and the Holder thereunder. The Project Bond is issued for the purpose of making a loan (the "Loan") to assist Norman Hyams (hereinafter referred to as the "Company") in the financing of costs of the acquisition, construction, equipping and improvement of real and personal property comprising a restaurant facility within the boundaries of the Issuer, together with related and incidental uses (hereinafter called the "Project") pursuant to the Loan Agreement.

The Project Bond is issued pursuant to Section 13 of Article VIII of the Constitution of the State of Ohio and to the laws of said State, particularly Chapter 165 of the Ohio Revised Code, and the Bond Legislation in order to promote the economic welfare of the people of the Issuer and the State by creating and preserving jobs and employment opportunities. The Project Bond is a special obligation of the Issuer, and the principal of and interest on the Project Bond (hereinafter collectively called "Bond service charges") are payable solely from the Pledged Receipts (as defined in the Bond Legislation) which include payments and other amounts which under the Loan Agreement are payable by the Company in repayment of the Loan, and is not otherwise an obligation of the Issuer. The Project Bond is not secured by an obligation or pledge of any moneys raised by taxation and does not represent or constitute a debt or pledge of the faith and credit of the Issuer.

Pursuant to the Loan Agreement, the Company is required to make payments in the amounts and at the times necessary for the prompt payment when due of the Bond service charges on the Project Bond. Such payments are made by the Company to the Holder for the account of the Issuer and have been duly pledged for that purpose. The Issuer's rights under the Loan Agreement and the Issuer's interest in the Pledged Receipts have been assigned to the Holder under the Assignment dated as of October 12, 1979 (hereinafter called the "Assignment"), from the Issuer to the Holder.

The Project Bond is issued as a registered bond in the principal sum of \$735,000.00 to Gem City Savings Association, or registered assigns, as the registered holder, and is transferable by said Gem City Savings Association or by its attorney, with written notice of such transfer given to the Issuer and the Company which shall specify therein the address of the principal office of the transferee, and upon the concurrent assignment of the rights and interests of the Holder under the Assignment to the transferee of the Project Bond; provided, however, that each Holder by its acceptance hereof agrees that it shall not transfer the Project Bond except in compliance

with all applicable federal and state securities laws and to other than a financial institution and that any transfer to other than such a financial institution shall be void and of no effect. As used herein "financial institution" means any state or federally chartered commercial bank, savings and loan association or mutual savings association insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or any insurance company.

In the event of any final determination with respect to the tax liability of the Holder that the interest on this Bond is wholly or partially includable for federal income tax purposes in the gross income of the Holder (other than the event that the holder is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(8) of the Internal Revenue Code of 1954, as amended), this Bond shall from the date on which such interest effectively becomes taxable and until all the installments due on the Project Bond shall have been paid bear interest at a rate of 13% per annum and Loan Payments shall be appropriately increased to effect amortization over the original period. As used herein, "final determination" shall be deemed to have occurred upon receipt by the Holder of the Project Bond of a ruling or technical advice by the Internal Revenue Service in which the Company has participated or shall have had an opportunity to participate or a written opinion of an attorney or firm of attorneys of recognized standing on the subject of municipal bonds selected by the Holder and approved by the Company, which approval shall not be unreasonably withheld.

In the event of (i) any failure in the payment of any interest on or the principal of this Project Bond when and as the same shall become due and payable and remain unpaid for 30 days or (ii) the occurrence of an "event of default" as defined in Section 8.1 of the Loan Agreement, the entire unpaid balance of the principal sum of this Project Bond, together with interest accrued thereon, may be declared due and payable by the Holder, and upon such declaration, such principal and interest shall become and be immediately due and payable. The Holder may, in its discretion, rescind any declaration and, upon such rescission, the Issuer and the Holder shall be restored to their respective positions hereunder. No such rescission shall extend to any subsequent or other default hereunder or impair any right consequent thereon.

The Project Bond shall not constitute the personal obligation, either jointly or severally, of the members of the Council of the Issuer, or any other officer of the Issuer.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things necessary to be done or performed by the Issuer or to have happened precedent to and in the issuing of this Project Bond in order to make it a legal, valid and binding special obligation of the Issuer in accordance with its terms, and precedent to and in the execution and delivery of the Loan Agreement and the Assignment have been done and performed and have happened in regular and due form as required by law; that payment in full for this Project Bond has been received; and that this Project Bond does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Council of the City of Centerville, Ohio has caused this Project Bond to be executed in the name of the Issuer by the signatures of the Mayor and of the Auditor and the seal of the City of Centerville, Ohio to be affixed hereon, all as of _____, 1979.

CITY OF CENTERVILLE, OHIO

City Manager

