

BOND ORDINANCE

ORDINANCE NO. 149

ORDINANCE AUTHORIZING THE ISSUANCE OF \$507,000 SEWERAGE SYSTEM FIRST MORTGAGE REVENUE BONDS BY THE VILLAGE OF OTTOVILLE, OHIO, UNDER SECTION 12, ARTICLE XVIII OF THE OHIO CONSTITUTION FOR THE PURPOSE OF PAYING THE COSTS OF CONSTRUCTING A MUNICIPAL SEWAGE COLLECTION AND TREATMENT SYSTEM, INCLUDING THE ACQUISITION OF REAL ESTATE AND INTERESTS THEREIN IN CONNECTION THEREWITH; PRESCRIBING THE FORM OF BONDS; PROVIDING FOR THE COLLECTION OF REVENUE FROM SAID SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE THEREOF, PROVIDING AN ADEQUATE RESERVE FUND THEREFOR, AND PROVIDING FOR THE PAYMENT OF SAID BONDS AND FURTHER PROVIDING FOR THE SEGREGATION AND DISTRIBUTION OF SAID REVENUES; AUTHORIZING THE EXECUTION OF A MORTGAGE OF SAID SYSTEM AND THE REVENUES THEREOF TO SECURE SAID BONDS AND TO SECURE ADDITIONAL PARITY BONDS HEREAFTER AUTHORIZED; DEFINING THE TERMS OF A FRANCHISE UNDER WHICH, IN CASE OF FORECLOSURE, THE PURCHASER MAY OPERATE SAID SYSTEM; AND, PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS IN ENFORCEMENT THEREOF.

WHEREAS, the Village of Ottoville, Putnam County, Ohio (hereinafter referred to as the "Municipality"), has no municipal sewage collection and treatment system and the Council has found that it is advisable and necessary for the best interest of the Municipality that a sewage collection and treatment system (hereinafter referred to as the "Utility" or as the "System") be built pursuant to Section 4, Article XVIII of the Constitution of Ohio; and

WHEREAS, the Mayor and Council have caused suitable plans and specifications sufficient to inform the public of the nature, character and cost of such sewage collection and treatment system to be made by competent engineers on behalf of said Municipality and said plans and specifications prepared by Bender, Grindle, Raikes, Inc., Consulting Engineer for the Municipality (hereinafter called the "Engineer"), have been accepted and approved by the Mayor and the Council and are now on file in the office of the Clerk-Treasurer open for public inspection; and

WHEREAS, the Council, after due investigation and based upon construction bids received, has determined that it will be necessary for the said Municipality to furnish funds in an amount not exceeding \$556,343 to pay the costs of construction of said sewage collection and treatment system including all construction expenses necessary to be incurred in connection with such construction, legal and engineering services, the costs of issuance of the bonds, and has further determined that it is necessary and proper for the Council to authorize the issuance of \$507,000 in revenue bonds, pursuant to Section 12, Article XVIII of the Constitution of Ohio, for the purpose of providing funds to pay a portion of such costs, such Bonds to be

designated Sewerage System First Mortgage Revenue Bonds, which Bonds (hereinafter called "Revenue Bonds") together with any additional bonds subsequently issued on a parity therewith (hereinafter called "Additional Bonds", the Revenue Bonds and Additional Bonds being hereinafter collectively referred to as the "Bonds") are to be secured by the Mortgage hereinafter provided for (hereinafter referred to as the "Mortgage") upon the properties, assets and revenues of the Utility and by a franchise to become effective in the event of foreclosure of the Mortgage; and

WHEREAS, the balance of the cost of constructing said Utility will be furnished from existing funds of the Municipality and from the proceeds of a grant from the United States of America, Farmers Home Administration, in the amount of \$100,600 and a grant from the United States of America, Environmental Protection Agency, in the amount of \$1,194,196; and

WHEREAS, the Council finds that all conditions precedent to the issuance and sale of such Revenue Bonds have been met;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF OTTOVILLE, COUNTY OF PUTNAM, STATE OF OHIO:

Section 1. That the Village of Ottoville, Ohio, now proceed with the construction of the municipal sewage collection and treatment system and thereby furnish the Municipality and its inhabitants with sewage collection and treatment and that said construction be carried out in accordance with plans and specifications and estimates referred to above. Said sewage collection and treatment system shall include the construction of a wastewater treatment facility, trunk sewers and lateral sewers and the acquisition of real estate and interests therein in connection therewith and all necessary appurtenances. The Council hereby finds and determines that the total estimated cost of the System is \$1,851,139 and that when said System is installed it shall be operated as a public utility, including all extensions and improvements to said System; that prior to the issuance of \$507,000 Sewerage System First Mortgage Revenue Bonds, rates and charges for the services of said Utility will be fixed in an amount sufficient to pay the costs of operating and maintaining the said Utility and to leave an amount of revenues adequate for meeting the principal and interest, debt service reserve, replacement and improvement requirements and all other requirements provided herein, and otherwise comply with the covenants herein provided for, and that it is necessary to issue and sell the \$507,000 Sewerage System First Mortgage Revenue Bonds (hereinafter called "Revenue Bonds") in the principal amount of \$507,000 and having the terms provided herein, the proceeds to be used for the purpose of construction of the System and purposes incidental thereto and incidental to the issuance of the said Revenue Bonds, and for such other purposes as may be described herein.

Section 2. That the Council hereby declares that the period of usefulness of the System to be constructed pursuant to this Ordinance is forty (40) years from the date of completion.

Section 3. That the Revenue Bonds shall be initially issued in coupon or fully registered form or in the form of a fully registered bond

of a single denomination without interest coupons as may be requested by the Original Purchaser and shall be dated the date delivered to the Original Purchaser. The Revenue Bonds in coupon form shall be in the denomination of \$1,000 each, or in multiples of \$1,000 at the request of the Original Purchaser, provided the selected denominations permit payment and surrender of the Revenue Bonds in accordance with the maturity schedule herein set forth, and shall be registrable as to principal. The Revenue Bonds in fully registered form shall be in the denomination of \$1,000 or any multiple thereof. The Revenue Bonds, in both coupon and fully registered form, shall be numbered as determined by the Fiscal Officer. There shall be no charge for registration or transfer. The Revenue Bonds shall be negotiable instruments. Said Revenue Bonds shall bear interest at the rate of five per centum (5%) per annum. With the Farmers Home Administration (herein also called "Government" or "United States") purchasing all of said Revenue Bonds, a single bond in the aggregate amount purchased, registered as to both principal and interest in the name of "United States of America, Farmers Home Administration," shall be issued, which bond shall provide, at the option of the Government, that various principal sums will be advanced to the Municipality, such advances to be noted by the Government on the schedule attached to the Revenue Bond, and interest shall accrue on the amount of each advance from the date such amount was advanced to said Municipality as shown on such schedule. The interest on said Revenue Bonds shall be payable annually on the first day of May of each year commencing on the first day of May next succeeding the date of the Revenue Bonds until the payment of the principal amount of each Revenue Bond. The Revenue Bonds shall be scheduled to become due and payable and shall be due and payable on May 1, as follows:

<u>Year</u>	<u>Amount of Principal</u>	<u>Year</u>	<u>Amount of Principal</u>	<u>Year</u>	<u>Amount of Principal</u>
1981	\$ 5,000	1994	\$ 9,000	2006	\$17,000
1982	5,000	1995	10,000	2007	18,000
1983	6,000	1996	10,000	2008	19,000
1984	6,000	1997	11,000	2009	19,000
1985	6,000	1998	11,000	2010	21,000
1986	6,000	1999	12,000	2011	21,000
1987	7,000	2000	13,000	2012	23,000
1988	7,000	2001	13,000	2013	24,000
1989	7,000	2002	14,000	2014	25,000
1990	8,000	2003	15,000	2015	26,000
1991	8,000	2004	15,000	2016	27,000
1992	9,000	2005	16,000	2017	29,000
1993	9,000				

The principal of and interest on Revenue Bonds in coupon form shall be payable at the office of the legal depository of the Municipality, presently The Ottoville Bank Company, Ottoville, Ohio; interest on the Revenue Bonds in fully registered form shall be payable by check or draft mailed to the registered holder or registered assigns at the address shown on the Registration Book of the Municipality. The principal of each Revenue Bond in fully registered form shall be payable upon presentation and surrender of the Revenue Bond at the office of the Fiscal Officer; provided the principal

of the Revenue Bond purchased by the Government in fully registered form shall be payable by check or draft mailed to the registered holder at the address shown on the Registration Book of the Municipality. Revenue Bonds maturing on or after May 1, 1987 shall be subject to redemption in whole or in part in inverse numerical order on any interest payment date on or after May 1, 1986 at their par value plus accrued interest to the date fixed for redemption; provided, however, that if all of said Revenue Bonds are held by the Farmers Home Administration, all or part of the Revenue Bonds may be redeemed at any time in inverse order of maturity, or, in the case of coupon bonds, in inverse numerical order. Notice of redemption, specifying the numbers of such Revenue Bonds to be called, shall be published by the Municipality once a week for two consecutive weeks in a newspaper of general circulation in Putnam County, the first publication to be not less than thirty (30) days prior to the date of redemption, upon which date all interest upon the Revenue Bonds so called shall cease except for those as to which default shall be made, upon presentation, in the payment of the redemption price. Notice of redemption of Revenue Bonds in fully registered form shall also be mailed by certified mail to the registered holder thereof not less than thirty (30) days prior to the date of redemption. Said bonds shall be signed by the Executive and the Fiscal Officer of the Municipality, with the corporate seal of said Municipality impressed thereon. When used in this Ordinance, "Executive" shall mean the Mayor, "Fiscal Officer" shall mean the "Clerk-Treasurer", and "Legal Officer" shall mean the "Solicitor." Any authority, officer or board which hereafter succeeds, by operation of law, to the powers and duties of any such authority or of any such officer shall be deemed included in the applicable official designation while having such powers and duties.

The Municipality shall upon request of the registered holder of a (each) fully registered bond, at any time at the expense of such holder, and within ninety (90) days after such request, issue the Municipality's negotiable coupon bonds, payable to bearer, registrable as to principal only, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal of the bond(s) exchanged therefor, and in the form of such coupon bonds as provided in Section 4 hereof, at an interest rate corresponding to the rate(s) of the bond(s) exchanged. Coupon bonds shall be so issued and substituted only for and upon surrender to the Municipality of the corresponding fully registered bond(s), which shall then immediately be cancelled by the Fiscal Officer; provided that if a single fully registered bond is issued as provided hereinabove, the holder, at his option and expense, may exchange such bond for coupon bonds or fully registered bonds in accordance with the above procedure.

Section 4. That the form and tenor of the Revenue Bonds in coupon form shall be substantially as follows:

UNITED STATES OF AMERICA

STATE OF OHIO

COUNTY OF PUTNAM

VILLAGE OF OTTOVILLE

SEWERAGE SYSTEM FIRST MORTGAGE REVENUE BOND

No.

\$

KNOW ALL MEN BY THESE PRESENTS, that the Village of Ottoville, in the County of Putnam and State of Ohio, acknowledges itself to owe and for value received hereby promises to pay, from the revenues and in the manner hereinafter set forth, to bearer, or, if registered, to the registered holder hereof, the sum of

on the first day of May, 19 , with interest thereon from the date hereof at the rate of per centum (%) per annum, payable annually on the first day of May in each year, commencing May 1, 1978, as evidenced by the coupons hereto attached, until the principal sum becomes due and payable. The principal sum and interest thereon, however, are payable only from the revenues, properties and assets of the municipal sewerage system as provided in the Indenture of Mortgage described below and not from the general or ordinary funds of the Municipality, and are payable in lawful money of the United States of America at the office of the legal depository of the Village, presently The Ottoville Bank Company, Ottoville, Ohio, without deduction for its services as paying agent, upon presentation and surrender of this bond and the coupons attached hereto as they respectively mature.

This Bond is one of a duly authorized issue of Sewerage System First Mortgage Revenue Bonds (herein sometimes called the "Bonds"), dated as of the date of issuance, issuable pursuant to Ordinance No. and secured by the Indenture of Mortgage described below and referred to therein as the Bonds, aggregating in amount Five Hundred Seven Thousand Dollars (\$507,000), and issued for the purpose of paying the costs of constructing a municipal sewage collection and treatment system, including the acquisition of real estate and interests therein in connection therewith (herein called the "Utility").

Bonds maturing on or after May 1, 1987, are subject to call for redemption in whole or in part in inverse numerical order on any interest payment date on or after May 1, 1986 at their par value plus accrued interest to the date fixed for redemption. The right of redemption shall be exercised by notice, specifying by number the Revenue Bonds (and portions of registered bonds) to be called, to be published by the Municipality once a week for two consecutive weeks in a newspaper of general circulation in Putnam County, the first publication to be not less than thirty (30) days prior to the date of redemption upon which date all interest upon the Revenue Bonds so called shall cease except for those as to which default shall be made, upon presentation, in the payment of the redemption price.

The Bonds are issued pursuant to Section 12 of Article XVIII of the Constitution of the State of Ohio, the laws of said State, and Ordinance No. , passed , 1977 (herein sometimes called the "Ordinance") and pursuant to an Indenture of Mortgage.

The Bonds are negotiable instruments but do not constitute general obligations of the Municipality, and the general credit and taxing power of the Municipality are not pledged for the payment thereof, or any part thereof, or interest thereon, but said Bonds and additional bonds issued under said Ordinance and Indenture of Mortgage are payable as to both principal and interest only from the revenues and properties of the Utility, after provision only for the reasonable operating and maintenance expenses thereof.

Said Bonds, together with such additional bonds as may be issued on a parity therewith under said Ordinance and Indenture of Mortgage, are and are to be secured only, but equally and ratably without priority one over another by reason of number or of date of bond, sale, execution or delivery, by said Indenture of Mortgage, mortgaging all the properties of the Municipality, then owned or thereafter acquired, used in and directly connected with the operation of the Utility, and creating a pledge of the revenues of said Utility after provision only for the reasonable operating and maintenance expenses thereof; and said Bonds are, in like manner, further secured by a franchise stating the terms upon which, in case of foreclosure, the purchaser may operate said Utility for a period of twenty (20) years after the date of final confirmation of the sale of said Utility on foreclosure.

Reference is hereby made to said Indenture of Mortgage for a more complete description of the mortgaged properties, the nature and extent of the security, the rights of the holders of the Bonds and of the Municipality with respect to such security, and the terms and conditions upon which said Bonds are issued and secured.

To the extent and in the manner permitted by the terms of said Ordinance, any covenant, condition or provision of said Indenture of Mortgage or any supplement thereto may be modified or amended, without necessity for notation hereon of reference thereto, by the Municipality by ordinance of its Council and with the written consent of the holders of not less than 75% of the principal amount of outstanding bonds thereby secured, excluding any bonds held or owned by the Municipality, but no such action shall result in changing the redemption provisions or interest and principal maturity dates or reducing the principal amount or interest rate on any bond without the consent of the holder.

If an event of default, as defined in said Indenture of Mortgage, shall occur, the principal of this Bond and all other bonds secured by said Indenture of Mortgage then issued and outstanding may be declared to become due and payable in the manner and with the effect provided by said Indenture of Mortgage, but subject to waiver of such default as provided in said Indenture of Mortgage.

The holder of this Bond shall not be entitled to institute any

suit, action or proceeding at law or in equity to enforce any rights or remedies granted by the Indenture of Mortgage except to the extent and in the manner provided therein.

No provision of this Bond or of the Indenture of Mortgage and no reference herein to the Indenture of Mortgage or the Ordinance shall have the effect of incorporating in the terms of this Bond any provision which would alter or impair the obligation of the Municipality, which is absolute and unconditional, to pay, from the funds herein described, the principal of and interest on this Bond at the times and places and in the coin and currency provided herein or affect the right of the holder of this Bond or any coupon to enforce payment thereof from such funds at and after the date of maturity of this Bond without reference to or consent of the holder of any other bond or coupon.

Said Municipality, acting through its Council, covenants that it will fix and revise such rates and charges for the service and facilities of the municipal sewerage system and collect and account for income and revenue therefrom sufficient to pay promptly all expenses incident to the operation of the system, principal of and interest on the Bonds, to provide for depreciation and a Sinking Fund, and for the payment of any taxes or assessments on revenues thereof.

This Bond may be registered as to principal and in accordance with the provisions on the back hereof.

It is hereby certified and recited that all acts, conditions and things necessary to be done precedent to and in the issuing of these Bonds in order to make them legal, valid and binding obligations of the Municipality in accordance with their terms, and in authorizing the execution and delivery of said Indenture of Mortgage, have been done and performed and have happened in regular and due form as required by law; that the Municipality has received payment in full for said Bonds, and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing said Bonds.

IN WITNESS WHEREOF, the Council of the Village of Ottoville, in the County of Putnam and State of Ohio, has caused this Bond to be signed in the name of said Municipality by the Mayor and Clerk-Treasurer and to have the corporate seal affixed hereto, and the interest coupons attached hereto to be authenticated by the facsimile signature of the Clerk-Treasurer, as of the

(SEAL)

Village of Ottoville

Clerk-Treasurer

Mayor