

ORDINANCE NO. 2011 - 123

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,125,000 ECONOMIC DEVELOPMENT REVENUE NOTES, (AL. NEYER INC., PROJECT), SECOND (2012) RENEWAL OF THE CITY OF MASON, OHIO, THE PROCEEDS OF WHICH SHALL BE USED TO REFINANCE THE ACQUISITION OF REAL ESTATE LOCATED WITHIN THE CITY OF MASON, OHIO TO BE SOLD TO AL. NEYER INC., FOR DEVELOPMENT; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH NOTES, AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH NOTES.

WHEREAS, the City has previously authorized and issued notes currently outstanding in the amount of \$3,070,000, which notes are about to mature and should be renewed in an increased amount to pay costs of financing; and

WHEREAS, the City of Mason, Ohio (the "City" or "Issuer"), by virtue of the laws of the State of Ohio, including Article VIII, Section 13 of the Constitution of Ohio, Chapter 165 of the Ohio Revised Code, is authorized and empowered among other things (a) to purchase real estate (the "Project") to be used in furtherance of industry, commerce, distribution, or research within the boundaries of the Issuer, (b) to issue and sell its revenue notes to provide moneys for such acquisition and (c) to enact this Note Legislation and execute and deliver the agreements and instruments hereinafter identified; and

WHEREAS, this City Council (the "Legislative Authority") has determined and does hereby confirm that the acquisition of the Project, as hereinafter defined, will promote the economic welfare of the people of the Issuer and the State of Ohio, create or preserve jobs and employment opportunities, assist in the development of commercial activities to the benefit of the people of the Issuer, by assisting with the financing of the Project through the issuance of revenue notes in an aggregate principal amount not to exceed of \$3,125,000 (the "Notes") will be acting in the manner consistent with and in furtherance of the provisions of Article VIII, Section 13 of the Constitution of the State of Ohio, and the laws of the State of Ohio, particularly Chapter 165 of the Ohio Revised Code (the "Act");

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MASON, OHIO:

Section 1. Definitions.

Any reference herein to the Issuer or the Legislative Authority, or to any officers or members 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.

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 Note Legislation.

Section 2. Determination of Issuer. Pursuant to Section 165.03 of the Act, this Legislative Authority hereby finds and determines that the Project to be refinanced with the proceeds of the Notes consists of the acquisition of a project as defined in the Act and is consistent with the provisions of Section 13 of Article VIII, Ohio Constitution.

Section 3. Authorization of Notes. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Notes for the purpose of refinancing the Project, including costs incidental thereto and of the financing thereof, all in accordance with the provisions of the Development Agreement (the "Development Agreement") dated December 23, 2009 by and between the Issuer and Al. Neyer Inc., (the "Borrower") and the Purchase Agreement (the "Purchase Agreement") dated December 23, 2009 by and between the Issuer and the Borrower. The Notes shall be designated "Economic Development Revenue Notes, (Al. Neyer Inc., Project), Second (2012) Renewal". The maximum amount of all Notes to be outstanding at any one time is \$3,125,000.

Section 4. Terms and Execution of the Notes. The Notes shall be issued in the forms and denominations, shall be numbered, dated and payable as provided in the Certificate of Award, which is hereby authorized and which shall be executed by the City Manager without further action of this Council. The Notes shall mature as provided in the Certificate of Award, and have such terms, bear such interest, and be subject to optional redemption as provided in the Certificate of Award. The Notes shall be executed on behalf of the Issuer by the manual or facsimile signature of the City Manager. In case any officer whose signature or a facsimile thereof shall appear on the Notes shall cease to be such officer before the issuance or delivery of the Notes, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until after that time.

The form of the Notes submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Certificate of Award, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Certificate of Award, in an aggregate principal amount of not to exceed \$3,125,000, shall represent the approved form of Notes of the Issuer.

Section 5. Sale of the Notes. The Notes are hereby sold and awarded to RBC Capital Markets, LLC (the "Underwriter") at the purchase price of not less than ninety-seven percent of the par amount of the Notes as set forth, and on the terms and conditions described, in the Certificate of Award with respect to the Notes. The City Manager and the Finance Director each are hereby separately authorized and directed to make on behalf of the Issuer the necessary arrangements to establish the date, location, procedure and conditions for the delivery of the Notes to the Underwriter, and to take all steps necessary to effect due execution and delivery to the Underwriter under the terms of this Note Legislation, the Certificate of Award, the Development Agreement and the Purchase Agreement. It is hereby determined that the price for and the terms of the Notes, and the sale thereof, all as provided in the aforesaid documents, are in the best interests of the Issuer and consistent with all legal requirements.

Section 6. Revenue Pledge. That the Notes shall be the special obligations of the City, and only the specific revenue of the City identified herein, received from sources other than moneys raised by taxation, including, proceeds realized from the sale of the Project and revenues from Fines, Licenses and Permits received by the City, which is hereby pledged for the prompt payment of the same, are pledged for the payment of the same. The par value received from the sale of renewal notes or bonds anticipated by the Notes, and any excess funds resulting from the issue of the Notes, shall, to the extent necessary, be used only for the retirement of the Notes at maturity, together with interest thereon and is hereby pledged for such purpose.

Section 7. No Debt or Tax Pledge. The Notes do not constitute an indebtedness or pledge of the faith and credit or taxing powers of the Issuer within the meaning of the Constitution of the State of Ohio. The Notes shall be payable solely from the revenues and security interests pledged for their payment as provided herein, and neither moneys raised by taxation nor any other general or special revenues of the Issuer shall be obligated or pledged for the payment of principal of, premium (if any) or interest on the Notes.

Section 8. Authorization Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Notes as the same shall become due and payable, any member of the Legislative Authority, the City Manager, the Finance Director and the Clerk are each hereby separately authorized to take any and all actions and to execute a paying agency agreement, such financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, as Bond Counsel, in order to effect the issuance of the Notes and the intent of this Note Legislation. The Clerk of the Legislative Authority, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Notes, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Notes.

The Finance Director is hereby further authorized to take such actions as may be reasonably requested by the purchaser of the Notes in order to make the Notes eligible for the services of The Depository Trust Company, New York, New York.

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

(a) **Payment of Principal, Premium and Interest.** The Issuer will, solely from the sources herein provided, pay or cause to be paid the principal of, premium, if any, and interest on each and all Notes on the dates, at the places and in the manner provided herein, in the Certificate of Award and in the Notes.

(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 Notes, the Development Agreement, the Purchase Agreement, and the Certificate of Award, and in all proceedings of the Issuer pertaining to the Notes. The Issuer warrants and covenants that it is, and upon delivery of the Notes will be, duly authorized by the laws of the State of Ohio, including particularly and without limitation the Act, to issue the Notes and to execute the Certificate of Award, and all other documents to be executed by it, to provide

for the security for payment of the principal of, premium, if any, and interest on the Notes in the manner and to the extent herein and in the Certificate of Award set forth; that all actions on its part for the issuance of the Notes and execution and delivery of the Certificate of Award, and all other documents to be executed by it in connection with the issuance of the Notes, have been or will be duly and effectively taken; and that the Notes will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Note Legislation, the Development Agreement, the Purchase Agreement and the Certificate of Award, and each Note, and all other documents to be executed by the Issuer in connection with the issuance of the Notes, is binding upon each 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 duty required by such provision; and each duty of the Issuer and of its officers and employees undertaken pursuant to such proceedings for the Notes is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty.

Section 10. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Ordinance, or in any Note, or in the Development Agreement, the Purchase Agreement or the Certificate of Award, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Note, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Notes. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Note, or otherwise, of any sum that may remain due and unpaid upon any Note, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Certificate of Award, and the issuance of the Notes.

Section 11. Taxable Interest. Interest on the Notes hereby authorized shall be subject to federal income taxation under the Internal Revenue Code of 1986, as amended, unless the Notes are accompanied by an opinion of nationally recognized bond counsel to the effect that such interest is exempt from federal income tax.

Section 12. 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 classes of work called for by the Project, which wages shall be determined in accordance with the requirements of Chapter 4115, Ohio Revised Code, for determination of prevailing wage rates; provided that, if the Borrower or other non-public user beneficiary of the Project undertakes, as a part of the Project, acquisition, construction, renovation, equipping and installation to be performed by its regular bargaining unit employees who are covered under a collective bargaining agreement which was in existence sixty (60) days prior to the date of this ordinance, or if subsequent to such date, the date of first expenditure on the Project, the rate of pay provided under the applicable collective bargaining agreement may be paid to such employees.

Section 13. Severability. If any section, paragraph or provision of this Note Legislation shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Note Legislation.

Section 14. Sunshine Law. This Legislative Authority hereby finds and determines that all formal actions relative to the adoption of this Note Legislation were taken in an open meeting of this Legislative Authority, and that all deliberations of this Legislative Authority and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 15. Notice of Proposed Issuance. The Finance Director or the City Manager are hereby authorized to execute, and the City Manager, Finance Director, Clerk of the Legislative Authority or Peck, Shaffer & Williams LLP is hereby authorized to deliver by certified mail and file on behalf of the Issuer, the Notice of Proposed Issuance of the Notes to the Director of Development of the State of Ohio.

Section 16. Effective Date. This Note Ordinance shall take effect and be in force at the earliest date permitted by law.

PASSED: December 12, 2011.

Mayor

Attest:

Clerk of Council

CERTIFICATE

The undersigned, Clerk of Council of the City of Mason, Warren County, Ohio, hereby certifies that the foregoing is a true and complete copy of Ordinance No. 2011-123 passed by the Council of the City of Mason on the 12th day of December, 2011, and has not been amended or rescinded as of this date.

Clerk of Council, City of Mason, Ohio

Dated: _____, 20__

EXTRACT FROM MINUTES OF MEETING

The Council of the City of Mason, County of Warren, Ohio, met in regular session, at 7:00 p.m., on the 12th day of December, 2011, at 6000 Mason-Montgomery Road., Mason, Ohio, with the following members present: David Nichols, Victor Kidd, Barbara Spaeth, Rich Cox, Tom Grossman, Charlene Pelfrey, and Don Prince.

There was presented and read to Council Ordinance No. 2011-123 entitled:

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Mr. Prince moved to suspend the rule requiring each ordinance or resolution to be read on three different days. Ms. Pelfrey Seconded the motion and, the roll being called upon the question, the vote resulted as follows: ALL YEAS.

Mr. Cox then moved that Ordinance No. 2011-123 be adopted. Ms. Spaeth Seconded the motion and, the roll being called upon the question, the vote resulted as follows: ALL YEAS.

The ordinance was declared passed December 12, 2011.

CERTIFICATE

The undersigned, clerk of council of said municipality, hereby certifies that the foregoing is a true and correct extract from the minutes of a meeting of the council of said municipality, held on the 12th day of December, 2011, to the extent pertinent to consideration and adoption of the above-entitled legislation.

Clerk of Council