

JULY 24, 2012
SPECIAL PRE-CLOSING MEETING

The Gallia County Board of Commissioners met on this date for the Special Pre-Closing Meeting. At 9:00 a.m. the meeting was called to order by President Harold G. Montgomery. Roll Call: Harold G. Montgomery, present; Vice President Mr. Howard J. "Joe" Foster, present; Commissioner Lois M. Snyder, present.

The following were in attendance: Gordon Parker and Teresa Uhlman USDA; Dennis Schwallie, Bond Counsel; Jeff Adkins, County Prosecutor; Larry Betz, County Auditor; DJFS Director Dana Glassburn; County Administrator Karen Sprague.

Commission noted the annual payment for this loan will come from the Job & Family Services Fund and other leases for space in the facility, not from the County General Fund. The Commission further noted the annual loan payment will be \$86,000 less than what the county was leasing the facility for, which means a savings of \$2,150,000 over the 25 year life of the loan.

USDA LOAN RESOLUTION

The President entertained a motion to approve the following loan resolution:

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE GALLIA COUNTY, OHIO AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS PURCHASE OF THE GALLIA COUNTY JOB AND FAMILY SERVICES BUILDING FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the BOARD OF COMMISSIONERS, GALLIA CO., OHIO (hereinafter called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of SEVEN HUNDRED FORTY-FOUR THOUSAND DOLLARS (\$744,000) pursuant to the provision of CHAPTER 133 OF THE OHI REVISED CODE; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:
 - a. Paying the cost of repairing or replacing any damage to the facility caused by catastrophe
 - b. Repairing or replacing short-lived assets.
 - c. Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account; additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 0 under the terms offered by the Government; that the PRESIDENT OF THE BOARD and CLERK OF THE BOARD of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas – 3 Nays - 0 Absent - 0

IN WITNESS WHEREOF, the BOARD OF COMMISSIONERS of the GALLIA COUNTY, OH has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 24TH DAY OF JULY, 2012.

Attest: *sl Terry Hemby*, Clerk of the Board

By *Harold G. Montgomery*, President of the Board

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Clerk of the Board of the Gallia County hereby certify that the Board of Commissioners, Gallia County of such Association is composed of three members, of whom three constitute a quorum, were present at a meeting thereof duly called and held on the 24th day of July, 2012; and that the foregoing resolution was adopted at such meeting by the vote shown above. I further certify that as of July 26, 2012, the date of closing of the loan from the Government, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 24th day of July, 2012.

sl Terry Hemby, Clerk of the Board

Joe Foster made and Lois Snyder seconded the motion; Roll call: Mr. Montgomery, yea; Mr. Foster, yea; Ms. Snyder, yea.

BOND RESOLUTION

The Board of County Commissioners of the County of Gallia, Ohio, met in special session at 9:00 o'clock a.m., on July 24, 2012, at the office of said board of county commissioners, located in the Gallia County Courthouse, Gallipolis, Ohio, with the following members present: Harold G. Montgomery, Howard J. Foster and Lois M. Snyder. Lois Snyder moved the adoption of the following resolution:

COUNTY OF GALLIA, OHIO

RESOLUTION AUTHORIZING THE ISSUANCE OF \$744,000 OF BONDS OF THE COUNTY OF GALLIA, OHIO, FOR THE PURPOSE OF PAYING PART OF THE COSTS OF ACQUIRING A BUILDING FOR USE BY THE AGENCIES, DEPARTMENTS, BOARDS OR COMMISSIONS OF THIS COUNTY AND PARTICULARLY, ITS DEPARTMENT OF JOB AND FAMILY SERVICES, AND MATTERS RELATED THERETO.

WHEREAS, this board of county commissioners (the "Board") of the County of Gallia, Ohio (the "County") has heretofore declared the necessity of acquiring a building for use by the agencies, departments, boards or commissions of the County and particularly, its Department of Job and Family Services (the "Project"); and

WHEREAS, the county auditor, as fiscal officer of the County, has heretofore estimated that the life of the improvements constituting the Project is at least five (5) years, and has certified that the maximum maturity of the bonds issued therefore is thirty (30) years; and

WHEREAS, the Board anticipates that debt service on such bonds will be paid from revenues derived from leases or other agreements between the County and agencies, departments, boards or commissions of the County and the State of Ohio, as well as the general revenues of the County (the "Revenues"); and

WHEREAS, the United States of America (the "Government"), acting through its Department of Agriculture, has agreed to purchase such bonds upon the terms set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Gallia, Ohio:

SECTION 1. *That it is necessary to issue and sell bonds of the County in the principal sum of \$744,000 (the "Bonds") for the purpose of paying part of the costs of the Project, including "financing costs" as defined in Section 133.01 of the Ohio Revised Code, under authority of and pursuant to the general laws of the State of Ohio, particularly*

Chapter 133 of the Ohio Revised Code. It is hereby determined that notes shall not be issued in anticipation of the Bonds.

SECTION 2. That the Bonds shall be issued in such principal amount for the purpose aforesaid. The Bonds shall be dated their date of initial delivery to the purchaser thereof, shall be in the form of a single registered Bond and numbered from R-1 upwards in order of issuance, shall be of a denomination equal to the unpaid principal amount of the Bonds from time to time, provided that if the Bonds are transferred by the Government, the Bonds shall be issued in such denominations in integral multiples of \$100 as the Government may request, shall mature in installments payable on the dates in the respective principal amounts, and shall bear interest at the rate of three and three hundred seventy-five thousandths percent (3.375%) per annum, calculated on the basis of a 365-day year and payable on July 1 of each year, commencing July 1, 2013 until the principal sum is paid, as follows:

<u>Payment Date</u>	<u>Principal Amount Due</u>	<u>Payment Date</u>	<u>Principal Amount Due</u>
July 1, 2013	\$19,400	July 1, 2026	\$29,900
July 1, 2014	20,100	July 1, 2027	30,900
July 1, 2015	20,800	July 1, 2028	32,000
July 1, 2016	21,400	July 1, 2029	33,000
July 1, 2017	22,200	July 1, 2030	34,100
July 1, 2018	22,900	July 1, 2031	35,300
July 1, 2019	23,700	July 1, 2032	36,500
July 1, 2020	24,500	July 1, 2033	37,700
July 1, 2021	25,300	July 1, 2034	39,000
July 1, 2022	26,200	July 1, 2035	40,400
July 1, 2023	27,100	July 1, 2036	41,600
July 1, 2024	28,000	July 1, 2037	43,100
July 1, 2025	28,900		

If the total par value of the Bonds is not paid by the Government to the County at the time of delivery thereof, any such par value shall be advanced to the County by the Government in one or more installments upon the request of the County, and interest shall accrue on the amount of each such advance from its actual date, and no transfer of the Bonds may be made until the total par value of the Bonds is so advanced to the County.

With the Government purchasing all of the Bonds, the Bonds shall be initially issued as a single bond in the denomination of \$744,000, registered as to both principal and interest in the name of "United States of America".

The Bonds shall be subject to redemption at any time prior to maturity, in whole or in part, at the option of the County, in inverse order of maturity at the price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption. The County shall send notice of such optional redemption by first class mail, postage prepaid, to the registered holders of the Bonds to be redeemed at least 30 days prior to the date of redemption. When less than all the Bonds of a single maturity are to be redeemed, the selection of Bonds to be redeemed shall be made in such manner as the County shall determine. Upon such redemption of less than the entire principal amount of an outstanding Bond, a new Bond or Bonds of authorized denominations of the same maturity and for the unredeemed principal amount will be issued to the owner of the partially redeemed Bond in exchange therefore.

It is hereby determined that the issuance of the bonds upon the terms described herein, including the redemption provisions specified above, will be in the best interest of the County.

The Bonds shall be designated "County Building Bonds, Series 2012".

SECTION 3. That the Bonds shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this resolution. The Bonds shall be in fully registered form. They shall bear the signatures of at least two members of the Board, provided that any or all such signatures may be facsimile signatures, may bear the seal of such county auditor or a facsimile thereof, and shall bear the manual authenticating signature of the county auditor, who is hereby designated as paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Bonds. Installments of principal of and interest on the Bonds are payable in lawful money of the United States of America to the registered owner of the Bonds as shown on the registration records of the County. No transfer of ownership of the Bonds shall be valid unless made at the request of the registered owner thereof on the registration records of the County and on the Bonds. The County and the Paying Agent and Registrar may deem and treat the registered owner of the Bonds as the absolute owner thereof for all purposes, and the County shall not be affected by any notice to the contrary. Payments of installments of principal of and interest on the Bonds shall be made by check or draft mailed to the registered owner thereof at the address shown on the registration records of the County. Upon final payment of principal and interest of the Bonds, they shall be cancelled and surrendered to the County.

The Bonds shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing at the office of the Paying Agent and Registrar upon presentation and surrender thereof to the Paying Agent and Registrar. The County and the Paying Agent and Registrar shall not be required to transfer any Bond during the 15-day period preceding any interest payment date, and no such transfer shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon such transfer, a new bond or bonds of authorized denominations of the same maturity and for the same unpaid principal amount shall be issued to the transferee in exchange therefor.

SECTION 4. That the Bonds shall be the full general obligations of the County and for the payment of the Bonds and the interest thereon, the full faith, credit and revenue of the County are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the principal of and interest on the Bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the Bonds at maturity, there shall be and is hereby levied on all the taxable property in the County within applicable limitations, in addition to all other taxes, a direct tax annually during the period the Bonds are to run in an amount sufficient to provide funds to pay the principal of and interest upon the Bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the Bonds at maturity, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio; provided, that in each year to the extent that the Revenues or other moneys

JULY 24, 2012
SPECIAL PRE-CLOSING MEETING

The Gallia County Board of Commissioners met on this date for the Special Pre-Closing Meeting. At 9:00 a.m. the meeting was called to order by President Harold G. Montgomery. Roll Call: Harold G. Montgomery, present; Vice President Mr. Howard J. "Joe" Foster, present; Commissioner Lois M. Snyder, present.

The following were in attendance: Gordon Parker and Teresa Uhlman USDA; Dennis Schwallie, Bond Counsel; Jeff Adkins, County Prosecutor; Larry Betz, County Auditor; DJFS Director Dana Glassburn; County Administrator Karen Sprague.

Commission noted the annual payment for this loan will come from the Job & Family Services Fund and other leases for space in the facility, not from the County General Fund. The Commission further noted the annual loan payment will be \$86,000 less than what the county was leasing the facility for, which means a savings of \$2,150,000 over the 25 year life of the loan.

USDA LOAN RESOLUTION

The President entertained a motion to approve the following loan resolution:

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE GALLIA COUNTY, OHIO AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS PURCHASE OF THE GALLIA COUNTY JOB AND FAMILY SERVICES BUILDING FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the BOARD OF COMMISSIONERS, GALLIA CO., OHIO (hereinafter called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of SEVEN HUNDRED FORTY-FOUR THOUSAND DOLLARS (\$744,000) pursuant to the provision of CHAPTER 133 OF THE OHI REVISED CODE; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:
 - a. Paying the cost of repairing or replacing any damage to the facility caused by catastrophe
 - b. Repairing or replacing short-lived assets.
 - c. Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account; additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 0 under the terms offered by the Government; that the PRESIDENT OF THE BOARD and CLERK OF THE BOARD of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas – 3 Nays - 0 Absent - 0

IN WITNESS WHEREOF, the BOARD OF COMMISSIONERS of the GALLIA COUNTY, OH has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 24TH DAY OF JULY, 2012.

Attest: *sl Terry Hemby*, Clerk of the Board

By *Harold G. Montgomery*, President of the Board

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Clerk of the Board of the Gallia County hereby certify that the Board of Commissioners, Gallia County of such Association is composed of three members, of whom three constitute a quorum, were present at a meeting thereof duly called and held on the 24th day of July, 2012; and that the foregoing resolution was adopted at such meeting by the vote shown above. I further certify that as of July 26, 2012, the date of closing of the loan from the Government, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 24th day of July, 2012.

sl Terry Hemby, Clerk of the Board

Joe Foster made and Lois Snyder seconded the motion; Roll call: Mr. Montgomery, yea; Mr. Foster, yea; Ms. Snyder, yea.

BOND RESOLUTION

The Board of County Commissioners of the County of Gallia, Ohio, met in special session at 9:00 o'clock a.m., on July 24, 2012, at the office of said board of county commissioners, located in the Gallia County Courthouse, Gallipolis, Ohio, with the following members present: Harold G. Montgomery, Howard J. Foster and Lois M. Snyder. Lois Snyder moved the adoption of the following resolution:

COUNTY OF GALLIA, OHIO

RESOLUTION AUTHORIZING THE ISSUANCE OF \$744,000 OF BONDS OF THE COUNTY OF GALLIA, OHIO, FOR THE PURPOSE OF PAYING PART OF THE COSTS OF ACQUIRING A BUILDING FOR USE BY THE AGENCIES, DEPARTMENTS, BOARDS OR COMMISSIONS OF THIS COUNTY AND PARTICULARLY, ITS DEPARTMENT OF JOB AND FAMILY SERVICES, AND MATTERS RELATED THERETO.

WHEREAS, this board of county commissioners (the "Board") of the County of Gallia, Ohio (the "County") has heretofore declared the necessity of acquiring a building for use by the agencies, departments, boards or commissions of the County and particularly, its Department of Job and Family Services (the "Project"); and

WHEREAS, the county auditor, as fiscal officer of the County, has heretofore estimated that the life of the improvements constituting the Project is at least five (5) years, and has certified that the maximum maturity of the bonds issued therefore is thirty (30) years; and

WHEREAS, the Board anticipates that debt service on such bonds will be paid from revenues derived from leases or other agreements between the County and agencies, departments, boards or commissions of the County and the State of Ohio, as well as the general revenues of the County (the "Revenues"); and

WHEREAS, the United States of America (the "Government"), acting through its Department of Agriculture, has agreed to purchase such bonds upon the terms set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Gallia, Ohio:

SECTION 1. That it is necessary to issue and sell bonds of the County in the principal sum of \$744,000 (the "Bonds") for the purpose of paying part of the costs of the Project, including "financing costs" as defined in Section 133.01 of the Ohio Revised Code, under authority of and pursuant to the general laws of the State of Ohio, particularly

Chapter 133 of the Ohio Revised Code. It is hereby determined that notes shall not be issued in anticipation of the Bonds.

SECTION 2. That the Bonds shall be issued in such principal amount for the purpose aforesaid. The Bonds shall be dated their date of initial delivery to the purchaser thereof, shall be in the form of a single registered Bond and numbered from R-1 upwards in order of issuance, shall be of a denomination equal to the unpaid principal amount of the Bonds from time to time, provided that if the Bonds are transferred by the Government, the Bonds shall be issued in such denominations in integral multiples of \$100 as the Government may request, shall mature in installments payable on the dates in the respective principal amounts, and shall bear interest at the rate of three and three hundred seventy-five thousandths percent (3.375%) per annum, calculated on the basis of a 365-day year and payable on July 1 of each year, commencing July 1, 2013 until the principal sum is paid, as follows:

<u>Payment Date</u>	<u>Principal Amount Due</u>	<u>Payment Date</u>	<u>Principal Amount Due</u>
July 1, 2013	\$19,400	July 1, 2026	\$29,900
July 1, 2014	20,100	July 1, 2027	30,900
July 1, 2015	20,800	July 1, 2028	32,000
July 1, 2016	21,400	July 1, 2029	33,000
July 1, 2017	22,200	July 1, 2030	34,100
July 1, 2018	22,900	July 1, 2031	35,300
July 1, 2019	23,700	July 1, 2032	36,500
July 1, 2020	24,500	July 1, 2033	37,700
July 1, 2021	25,300	July 1, 2034	39,000
July 1, 2022	26,200	July 1, 2035	40,400
July 1, 2023	27,100	July 1, 2036	41,600
July 1, 2024	28,000	July 1, 2037	43,100
July 1, 2025	28,900		

If the total par value of the Bonds is not paid by the Government to the County at the time of delivery thereof, any such par value shall be advanced to the County by the Government in one or more installments upon the request of the County, and interest shall accrue on the amount of each such advance from its actual date, and no transfer of the Bonds may be made until the total par value of the Bonds is so advanced to the County.

With the Government purchasing all of the Bonds, the Bonds shall be initially issued as a single bond in the denomination of \$744,000, registered as to both principal and interest in the name of "United States of America".

The Bonds shall be subject to redemption at any time prior to maturity, in whole or in part, at the option of the County, in inverse order of maturity at the price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption. The County shall send notice of such optional redemption by first class mail, postage prepaid, to the registered holders of the Bonds to be redeemed at least 30 days prior to the date of redemption. When less than all the Bonds of a single maturity are to be redeemed, the selection of Bonds to be redeemed shall be made in such manner as the County shall determine. Upon such redemption of less than the entire principal amount of an outstanding Bond, a new Bond or Bonds of authorized denominations of the same maturity and for the unredeemed principal amount will be issued to the owner of the partially redeemed Bond in exchange therefore.

It is hereby determined that the issuance of the bonds upon the terms described herein, including the redemption provisions specified above, will be in the best interest of the County.

The Bonds shall be designated "County Building Bonds, Series 2012".

SECTION 3. That the Bonds shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this resolution. The Bonds shall be in fully registered form. They shall bear the signatures of at least two members of the Board, provided that any or all such signatures may be facsimile signatures, may bear the seal of such county auditor or a facsimile thereof, and shall bear the manual authenticating signature of the county auditor, who is hereby designated as paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Bonds. Installments of principal of and interest on the Bonds are payable in lawful money of the United States of America to the registered owner of the Bonds as shown on the registration records of the County. No transfer of ownership of the Bonds shall be valid unless made at the request of the registered owner thereof on the registration records of the County and on the Bonds. The County and the Paying Agent and Registrar may deem and treat the registered owner of the Bonds as the absolute owner thereof for all purposes, and the County shall not be affected by any notice to the contrary. Payments of installments of principal of and interest on the Bonds shall be made by check or draft mailed to the registered owner thereof at the address shown on the registration records of the County. Upon final payment of principal and interest of the Bonds, they shall be cancelled and surrendered to the County.

The Bonds shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing at the office of the Paying Agent and Registrar upon presentation and surrender thereof to the Paying Agent and Registrar. The County and the Paying Agent and Registrar shall not be required to transfer any Bond during the 15-day period preceding any interest payment date, and no such transfer shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon such transfer, a new bond or bonds of authorized denominations of the same maturity and for the same unpaid principal amount shall be issued to the transferee in exchange therefor.

SECTION 4. That the Bonds shall be the full general obligations of the County and for the payment of the Bonds and the interest thereon, the full faith, credit and revenue of the County are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the principal of and interest on the Bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the Bonds at maturity, there shall be and is hereby levied on all the taxable property in the County within applicable limitations, in addition to all other taxes, a direct tax annually during the period the Bonds are to run in an amount sufficient to provide funds to pay the principal of and interest upon the Bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the Bonds at maturity, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio; provided, that in each year to the extent that the Revenues or other moneys

are available for the payment of the Bonds and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of the Revenues or other moneys so available and appropriated.

Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended or collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest on and the principal of the Bonds when and as the same shall fall due.

SECTION 5. That the Bonds shall be sold to the Government in accordance with its offer to purchase which is hereby accepted. The proceeds from the sale of the Bonds, except any premium or accrued interest received, shall be paid into the proper fund and used for the purpose aforesaid and for no other purpose, and for which purposes said proceeds are hereby appropriated. The premium and accrued interest, if any, shall be transferred to the bond retirement fund of the County to be applied to the payment of the principal of and interest on the Bonds in the manner provided by law.

The members of the Board, the county auditor, the county treasurer, and other appropriate officials of the County, are each hereby separately authorized, without further action of the Board, to take any and all actions and to execute such other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, bond counsel for the Bonds, in order to effect the issuance of the Bonds and the intent of this resolution. The clerk of the Board shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds, along with such information from the records of the County as is necessary to determine the regularity and validity of the issuance of the Bonds.

SECTION 6. That the County intends that interest accruing on the Bonds shall be subject to federal income taxation the Internal Revenue Code of 1986, as amended, and the regulations prescribed thereunder (the "Code") until January 1, 2013, that on January 1, 2013, the Bonds shall be deemed reissued for purposes of the Code, and that from and after January 1, 2013, the interest accruing on the Bonds shall be exempt from federal income taxation to the extent permitted by the Code. The Board hereby covenants that it will restrict the use of the proceeds for the Bonds hereby authorized in such manner and to such extent, if any, as may be necessary after taking into account reasonable expectations at the time the debt is incurred and on January 1, 2013, so that the Bonds will not constitute "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and will, to the extent possible, comply with all other applicable provisions of the Code and the regulations thereunder to retain the Federal income tax exemption for interest on the Bonds from and after January 1, 2013, including any expenditure requirements, investment limitations, rebate requirements or use limitations. The county auditor or any other officer having responsibility with respect to the issuance of the Bonds is authorized and directed to give an appropriate certificate on behalf of the County on January 1, 2013 for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of the Code and regulations thereunder.

SECTION 7. That the Bonds are hereby designated as "qualified tax-exempt obligations" to the extent permitted by Section 265(b)(3) of the Code effective January 1, 2013. The Board finds and determines that the reasonable anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the County during calendar year 2013 does not and the Board hereby covenants that, during such year, the amount of tax-exempt obligations issued by the County and designated as "qualified tax-exempt obligations" for such purpose will not exceed \$10,000,000. The county auditor and other appropriate officers, and any of them, are authorized to take such actions and give such certifications on behalf of the County with respect to the reasonably anticipated amount of tax-exempt obligations to be issued by the County during this calendar year and with respect to such other matters as appropriate under Section 265(b)(3).

SECTION 8. That so long as the Government is the holder of any of the Bonds, the County will comply with all applicable regulations of the Government relating to the Project and the Bonds and with the Government's Loan Resolution (Form RD 1942-27) relating thereto previously adopted by the Board, and will not, among other things, defease the Bonds without the prior written consent of the Government. The provisions of such Loan Resolution are hereby accepted, approved, ratified and confirmed and are hereby incorporated into this resolution by reference.

The County shall, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purpose of the Bonds and this resolution. The provisions of this resolution shall constitute a contract between the County and the holders of any of the Bonds, and after the issuance of the Bonds this resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the Bondholders, nor shall the Board adopt any law, resolution or resolution in any way adversely affecting the rights of the Bondholders so long as any Bonds or interest thereon remains unpaid. All of the obligations set forth and covenants made under this resolution are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Board and the various officers of the County within the meaning of Section 2731.01 of the Ohio Revised Code.

SECTION 9. That the law firm of Peck, Shaffer & Williams LLP be and is hereby retained as bond counsel to the County to prepare the necessary authorization and related closing documents for the issuance, sale and delivery of the Bonds and, if appropriate, rendering its approving legal opinion in connection therewith, in accordance with the written agreement presently on file with the County which at least two members of the Board and the county auditor are hereby separately authorized to execute and deliver on behalf of the County, with such changes thereto not substantially adverse to the County as may be approved by the officer(s) executing the same. The approval of such changes by such officer(s), and that the same are not substantially adverse to the County, shall be conclusively evidenced by the execution of such agreement by such officer(s). Such law firm shall be compensated by the County for the above services in accordance with such written agreement.

SECTION 10. That the clerk of the Board is hereby directed to forward a certified copy of this resolution to the county auditor.

SECTION 11. That it is found and determined that all formal actions of the Board concerning and relating to the adoption of this resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Revised Code of Ohio.

SECTION 12. That this resolution shall take effect immediately upon its adoption.

Howard Foster seconded the resolution, and the roll being called upon the question of its adoption, the vote resulted as follows: AYES: Montgomery, Foster, Snyder

NAYS: 0

ADOPTED, this 24th day of July, 2012.

s/ Terry Hemby, Clerk

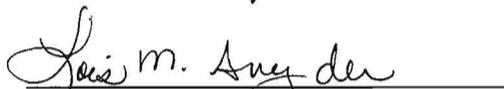
ADJOURN

At 10:08 a.m. President Montgomery entertained a motion for adjournment. Lois Snyder made and Joe Foster seconded the motion; Roll call: Mr. Montgomery, yea; Mr. Foster, yea; Ms. Snyder, yea.

Harold G. Montgomery, President



Howard J. Foster, Vice President



Lois M. Snyder, Commissioner



Terry Hemby, Clerk