

ORDINANCE NO. 85-3-2008

ORDINANCE AUTHORIZING THE ISSUANCE OF WABASH COUNTY, INDIANA ECONOMIC DEVELOPMENT SOLID WASTE FACILITY REVENUE BONDS (NORTH MANCHESTER ETHANOL, LLC PROJECT), SERIES 2008, AND THE LENDING OF THE PROCEEDS THEREOF TO NORTH MANCHESTER ETHANOL, LLC AND AUTHORIZING AND APPROVING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, Wabash County, Indiana (the "County"), is a municipal corporation and political subdivision of the State of Indiana and by virtue of I.C. 36-7-11.9 and I.C. 36-7-12 (collectively, the "Act"), is authorized and empowered to adopt this ordinance (this "Bond Ordinance") and to carry out its provisions; and

WHEREAS, North Manchester Ethanol, LLC (the "Borrower"), desires to finance the acquisition, construction and equipping of that portion of the Borrower's new 65 million-gallon per year fuel grade ethanol production plant to be located on an approximate 200-acre site at 868 E. 800 N., North Manchester, Indiana 46962 in the County (the "Facilities") which constitutes solid waste disposal facilities under Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the "Code") (the acquisition, construction and equipping of such solid waste disposal facilities, the "Project"); and

WHEREAS, the Borrower has advised the Wabash County Economic Development Commission (the "Commission") and the County that it proposes the County issue its Economic Development Solid Waste Facility Revenue Bonds (North Manchester Ethanol, LLC Project), Series 2008, in one or more series, on a senior lien or subordinate basis and in an amount not to exceed Thirty Million Dollars (\$30,000,000) (the "Bonds") under the Act and loan the proceeds of the Bonds to the Borrower for the purpose of financing all or a portion of the Project; and

WHEREAS, the completion of the Project and the related Facilities will result in the diversification of industry, the creation of approximately thirty-eight (38) jobs and the creation of business opportunities in the County; and

WHEREAS, pursuant to I.C. § 36-7-12-24 and Section 147 of the Code, the Commission published notice of a public hearing (the "Public Hearing") on the Project and on the proposed issuance of the Bonds to finance the Project; and

WHEREAS, the Commission has held the Public Hearing on the Project and the proposed issuance of the Bonds, approved the issuance of the Bonds and received uncontroverted evidence that there are no facilities which are similar to the and the related Facilities and have already been constructed or operating in or near the County; and

WHEREAS, the Commission has performed all actions required of it by the Act preliminary to the adoption of this Bond Ordinance and has approved and forwarded to the County Council the forms of: (1) a Loan Agreement between the County and the Borrower (including a form of Note) relating to the Bonds (the "Loan Agreement"); (2) a Trust Indenture

with respect to the Bonds between the County and U.S. Bank, National Association, as trustee (the "Trustee") (the "Indenture"); (3) the Bonds; and (4) this Bond Ordinance (the Loan Agreement, the Indenture, the Bonds, and this Bond Ordinance, collectively, the "Financing Agreements").

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF WABASH COUNTY, INDIANA, THAT:

Section 1. Findings; Public Benefits. The County Council hereby finds and determines that the Project involves the acquisition, construction and equipping of an "economic development facility" as that phrase is used in the Act; that the Project and related Facilities will increase employment opportunities and increase diversification of economic development in the County, will improve and promote the economic stability, development and welfare in the County, will encourage and promote the expansion of industry, trade and commerce in the County and the location of other new industries in the County; that the public benefits to be accomplished by this Bond Ordinance, in tending to overcome insufficient employment opportunities and insufficient diversification of industry, are greater than the cost of public services (as that phrase is used in the Act) which will be required by the Project; and, therefore, that the financing of the Project by the issuance of the Bonds under the Act: (i) will be of benefit to the health and general welfare of the County; and (ii) complies with the Act.

Section 2. Approval of Financing. The proposed financing of the Project by the issuance of the Bonds under the Act, in the form that such financing was approved by Commission, is hereby approved.

Section 3. Authorization of the Bonds. The issuance of the Bonds, payable solely from revenues and receipts derived from the Financing Agreements, is hereby authorized.

Section 4. Terms of the Bonds. (a) The Bonds shall (i) be executed at or prior to the closing date by the manual or facsimile signatures of the Board of Commissioners of the County (the "County Commissioners") and the Wabash County Auditor (the "County Auditor"); (ii) be dated as of the date of their delivery; (iii) mature on a date not later than April 1, 2028; (iv) bear interest at such rates as determined through the marketing of the Bonds on the date of sale at rates not to exceed 15% per annum, with such interest payable as provided in the Financing Agreements; (v) be issuable in such denominations as set forth in the Financing Agreements; (vi) be issuable only in fully registered form; (vii) be subject to registration on the bond register as provided in the Indenture; (viii) be payable in lawful money of the United States of America; (ix) be payable at an office of the Trustee as provided in the Indenture; (x) be subject to optional redemption prior to maturity and subject to redemption as otherwise provided in the Financing Agreements; (xi) be issued in one or more series, which series may be issued on a senior lien or subordinate basis; and (xii) contain such other terms and provisions as may be provided in the Financing Agreements.

(b) The Bonds and the interest thereon do not and shall never constitute an indebtedness of, or a charge against the general credit or taxing power of, the County, but shall be special and limited obligations of the County, payable solely from revenues and other amounts derived from the Financing Agreements. Forms of the Financing Agreements are before this meeting and are by this reference incorporated in this Bond Ordinance, and the County Auditor is hereby directed, in the name and on behalf of the County, to insert them into the minutes of the County Council and to keep them on file.

Section 5. Sale of the Bonds. The County Commissioners are hereby authorized and directed, in the name and on behalf of the County, to select, as directed by the Borrower, an underwriter or placement agent to facilitate the sale of the Bonds, to sell the Bonds to the selected purchaser or purchasers at the price, in the manner and at the time set forth in a bond purchase or placement agreement to be approved by the County Commissioners, at such prices as are determined on the date of sale and approved by the County Commissioners.

Section 6. Offering Circular. The County Council hereby authorizes and directs the County Commissioners, for and on behalf of the County, to approve and to distribute or cause to be distributed, an offering memorandum or other offering circular, in form and substance approved by the County Commissioners.

Section 7. Execution and Delivery of Financing Agreements. The County Commissioners and the County Auditor are hereby authorized and directed, in the name and on behalf of the County, to execute or endorse and deliver the Indentures relating to each series of Bonds, Loan Agreements relating to each series of the Bonds, the Notes from the Borrower to the County relating to each series of the Bonds, the Bonds and any bond purchase or placement agreement relating to each series of the Bonds.

Section 8. Changes in Financing Agreements. The County Commissioners are hereby authorized, in the name and on behalf of the County, without further approval of the County Council or the Commission, to approve such changes in the Financing Agreements with respect to any series of Bonds as may be permitted by the Act, such approval to be conclusively evidenced by their execution thereof.

Section 9. General. The County Commissioners and the County Auditor, and each of them, are hereby authorized and directed, in the name and on behalf of the County, to execute or endorse any and all agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by them, or either of them, to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this Bond Ordinance (including the preambles hereto and the documents mentioned herein), the Project, the issuance and sale of the Bonds, and the securing of the Bonds under the Financing Agreements, and any such execution, endorsement, performance or doing of other things heretofore effected be, and hereby is, ratified and approved.

Section 10. Binding Effect. The provisions of this Bond Ordinance and the Financing Agreements shall constitute a binding contract between the County and the

holders of the Bonds, and after issuance of the Bonds this Bond Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of the holders of the Bonds as long as the Bonds or interest thereon remains unpaid.

Section 11. Repeal. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 12. Effective Date. This Bond Ordinance shall be in full force and effect from and upon compliance with the procedures required by law.

Section 13. Copies of Financing Agreements on File. Two copies of the Financing Agreements incorporated into this Bond Ordinance were duly filed in the office of the County Auditor, and are available for public inspection in accordance with I.C. 36-1-5-4.

DULY PASSED on this 10th day of APRIL, 2008, by the Wabash County Council.

WABASH COUNTY COUNCIL

[Signature]  
Chairman

[Signature]  
Member

[Signature]  
Member

[Signature]  
Member

Member

[Signature]  
Member

Jed A Little  
Member

ATTEST:

[Signature]  
Wabash County Auditor