

**From:** [Norm Kennedy \(Granville Twp Business Off\)](#)

**To:** [Granville Press](#)

**Sent:** Wednesday, November 12, 2008 9:30 AM

**Subject:** Re: A couple of questions

We worked with Peck Shaffer as our bond counsel. They put us in contact with several entities they thought might be interested in purchasing tax exempt bonds from a local political subdivision.

If you will put yourself back in the timeframe of late September and early October there was chaos in the financial markets. Banks were failing, banks were being rescued, interest rates were up and down, no one was lending, charge-offs were increasing, loan loss provisions were going thru the roof, bank earnings were disappearing. Normally banks buy investment securities for their portfolios in order to acquire secure assets. Nobody was interested in buying out of area bond issues. Banks also acquire tax exempt bonds in order to shelter some of their income. The problem is without income there is nothing to shelter.

We had one bidder, Park National. Park is our depository. Park also is not wrapped up in all of the problems that I described above. If you'll read its advertising Park is saying that it's business as usual. They have funds and want to make loans. This is true.

During this period there was no active market for tax exempt securities, however our bond counsel felt the quoted rate of 5.4% for five years, was fair.

We appreciated their interest in our bond issue and the local support.

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