

ORDINANCE NO. 1, 2018

AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN IMPROVEMENTS TO THE SEWAGE WORKS SYSTEM OF THE CITY OF ATTICA, INDIANA, THE ISSUANCE OF REVENUE BONDS TO PROVIDE FOR THE COST THEREOF, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SYSTEM, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SUCH REVENUE BONDS, AND OTHER MATTERS CONNECTED THEREWITH, AND REPEALING ORDINANCES INCONSISTENT HEREWITH.

WHEREAS, the City of Attica, Indiana (the “City”), has heretofore established, constructed and financed a municipal sewage works system for the purpose of providing for the collection and treatment of wastewater from the residents and users (the “System”) pursuant to IC 36-9-23-1 et seq., as in effect on the issue date of the bonds which are authorized herein (the “Act”); and

WHEREAS, the Common Council of the City (the “Common Council”) hereby finds: (i) that the acquisition, construction, extension and installation of certain improvements for the System, as set forth in Exhibit A (the “Project”), are necessary; (ii) that plans, specifications and cost estimates for the Project (the “Engineering Reports”) have been prepared by the engineers employed by the City (the “Engineers”), for plans, specifications, detailed descriptions and estimates of the costs of the necessary improvements and extensions to the System; and (iii) that the Engineering Reports have been previously adopted and have been or will be submitted to all government authorities having jurisdiction, particularly the Indiana Department of Environmental Management (“IDEM”), if and to the extent IDEM approval is required under Indiana law, and has been approved by the aforesaid government authorities; and

WHEREAS, the estimates prepared and delivered by the engineers with respect to the costs of acquisition, construction, extension and installation of certain improvements for the System, and including all authorized expenses relating thereto, including the costs of issuance of bonds on account thereof, will be in the estimated amount not to exceed Five Million Four Hundred Sixty-One Thousand Dollars (\$5,461,000), to be financed by a combination of a grant from OCRA in the amount of Five Hundred Fifty Thousand Dollars ((\$550,000), cash on hand in the amount of Three Hundred Seven Hundred Seventy Thousand Dollars (\$377,000), and the issuance of revenue bonds in an amount not to exceed Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000); and

WHEREAS, the City has or will advertise for and receive bids for the construction of the Project, and such bids will be subject to the determination to acquire, construct and install the Project and obtaining funds for the Project; and

WHEREAS, the Common Council finds that there are insufficient funds available to pay the cost of the Project, and that the cost of the Project is to be financed in part from the issuance of its tax-exempt sewage works revenue bonds, in one or more series (the “Bonds”); and

WHEREAS, the City desires to enter into a Financial Assistance Agreement (attached hereto as Exhibit C) with the Indiana Finance Authority together with any subsequent amendments thereto

(the “Financial Assistance Agreement”), which would pertain to the Project and the financing thereof, if the Bonds are sold to the Indiana Finance Authority pursuant to its Wastewater Revolving Loan Program (the “SRF Program”); and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds have been complied with in accordance with the provisions of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF ATTICA, INDIANA, THAT:

SECTION 1. Authorization of Project. The Common Council shall proceed with the completion of the Project in accordance with the Engineering Report, which is now on file in the office of the reasurer of the City (the “Clerk-Treasurer”), and is hereby adopted and approved, and by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein. Two (2) copies of the Engineering Report are on file in the office of the Clerk-Treasurer and open for public inspection pursuant to IC 36-1-5-4. The aggregate cost of the Project shall not exceed the sum of \$5,461,000, plus investment earnings on the proceeds of the Bonds, without further authorization from the Common Council. The term “System,” “works”, “utility”, “sewage works” and other like terms where used in this Ordinance shall be construed to mean the existing Sewage Works system (and its Treatment Works as defined in the Financial Assistance Agreement) and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired, and all other items as defined in IC 36-9-23, as amended. The Project is hereby approved and shall be constructed and the Bonds shall be issued pursuant to and in accordance with the Act.

SECTION 2. Issuance of Bonds.

(a) The City shall issue the Bonds, in one or more series, in an aggregate principal amount not to exceed Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) to be designated “Sewage Works Revenue Bonds, Series 2018,” for the purpose of procuring funds to pay the cost of the Project and the issuance costs of the Bonds as determined by the Clerk-Treasurer, with the advice of the Financial Advisor. The Bonds shall be issued and sold at a price not less than 99.0% of the par value thereof. The Bonds shall be sold by the Clerk-Treasurer pursuant to IC 5-1-11, as amended, unless sold to the SRF Program or the Indiana Bond Bank. The Bonds shall be issued in fully registered form in authorized denominations of \$1,000 or any integral multiple of \$1.00 in excess thereof or \$1.00 consistent with the requirements of the SRF Program. The Bonds shall be lettered and numbered consecutively from R-1 and upward, originally dated the date of delivery, and shall bear interest at a rate or rates not exceeding five percent (5.0%) per annum (or, if sold to the SRF Program, not exceeding two and five-tenths percent per annum (2.5%)). Interest is payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or July 1 following the issuance of the Bonds, all as determined by the Clerk-Treasurer, with the advice of the Financial Advisor. The Bonds shall mature annually, or shall be subject to mandatory sinking fund redemption if term bonds are issued, on January 1 of each year, over a period ending no later than 25 years after the estimated date of substantial completion of the Project and in such amounts as deemed appropriate by the Clerk-Treasurer, with the advice of the Financial Advisor; provided that if the Bonds are sold to the SRF Program, then in such amounts as will produce annual debt service that is as level as practicable,

except as otherwise provided in the Financial Assistance Agreement. The Bonds will be payable solely out of and constitute a first charge against the Net Revenues, herein defined as the gross revenues of the System (herein defined as the Town's Sewage Works system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired, including the works herein acquired and constructed and all additions and improvements thereto and replacements thereof subsequently constructed or acquired), inclusive of System Development Charges (as hereinafter defined), remaining after the payment of the reasonable expense of operation, repair and maintenance of the System, but excluding depreciation and transfers for payments in lieu of property taxes. For purposes of this ordinance, "System Development Charges" shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this ordinance; provided, however, that any System Development Charges that are enacted under IC 36-9-23-29, shall be considered as Net Revenues of the System]

(b) Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

(c) Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the SRF Program (including without limitation any forgivable loans, grants or other assistance whether available as an alternative to any Bond related provision otherwise provided for herein or as a supplement or addition thereto). If required by the SRF Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of a series issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

SECTION 3. Registrar and Paying Agent; Book Entry Only Provisions. The Clerk-Treasurer is authorized to select and appoint a qualified financial institution to serve as the Registrar and the Paying Agent for the Bonds, which registrar is hereby charged with the responsibility for authenticating the Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of the Registrar and the Paying Agent for the Bonds. The Clerk-Treasurer is further authorized to pay such fees as the institution may charge for the services it provides as the Registrar and the Paying Agent, and such fees may be paid from the Bond and Interest Account, as hereinafter defined.

As to any purchaser of the Bonds that does not object to such designation, the Clerk-Treasurer shall serve as the Registrar and the Paying Agent and is hereby charged with the duties of the Registrar and the Paying Agent.

The principal of the Bonds shall be payable at the principal office of the Paying Agent, and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest

payment date to the registered owners thereof, as of the fifteenth day of the month preceding each interest payment date (“Record Date”), at the addresses of the registered owners as they appear on the registration books kept by the Registrar. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the Bonds are registered in the name of the Indiana Finance Authority, the principal thereof and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Indiana Finance Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Indiana Finance Authority is the owner of the Bonds, the Bonds shall be presented for payment as directed by the Indiana Finance Authority. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City; provided, however, that the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The City and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name the Bonds are registered as the absolute owner thereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal thereof, and the premium, if any, and interest due thereon.

Interest on the Bonds that are authenticated on or before the Record Date that precedes the first interest payment date shall be paid from their original issue date; provided that interest on the Bonds sold to the Indiana Finance Authority shall begin to accrue commencing from the dates of payment on the Bonds. Interest on the Bonds authenticated subsequent to the Record Date that precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date, in which case the interest shall be paid from such interest payment date.

SECTION 4. Redemption of Bonds.

(a) The Bonds are redeemable at the option of the City on any date as determined by the Clerk-Treasurer prior to the sale of the Bonds, on at least thirty (30) days’ notice, in whole or in part, in any order of maturity (or in the case of any Bonds sold to the Indiana Finance Authority, in inverse order of maturity and on any date, on at least sixty (60) days’ notice) and by lot within a maturity selected by the City, at the par amount thereof, together with a premium not greater than 2%, plus, in each case, accrued interest, if any, to the date fixed for redemption; provided, however, that if the

Bonds are sold to the SRF Program and registered in the name of the Indiana Finance Authority, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Indiana Finance Authority. The exact redemption dates and premiums shall be established by the Clerk-Treasurer, with the advice of the Financial Advisor.

(b) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds maturing on the same date which have previously been redeemed (other than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit such Bonds maturing as term bonds only to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

(c) If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If the Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select the Bonds for mandatory sinking fund redemption before selecting the Bonds for optional redemption.

(d) Notice of redemption shall be given not less than thirty (30) days (or sixty (60) days, in the case of any Bonds sold to the Indiana Finance Authority) prior to the date fixed for redemption for Bonds, unless such redemption notice is waived by the owner of the Bond or Bonds to be redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is forty-five (45) days (or seventy-five (75) days, in the case of any Bonds sold to the Indiana Finance Authority) prior to such redemption date for Bonds. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

(e) The Bonds shall be called for redemption in multiples of their minimum authorized denomination. The Bonds in denominations of more than the minimum authorized denomination shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond, respectively, by the minimum authorized denomination within a maturity. The Bonds may be redeemed in part. In the event of redemption of Bonds in part, upon surrender of the Bond to be redeemed, a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

SECTION 5. Execution and Authentication of the Bonds; Pledge of Net Revenues to the Bonds. The Bonds shall be executed in the name of the Mayor of the City (the "Mayor") by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of the City, if any, to each of the Bonds manually or shall have

the seal, if any, imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the Bonds. The Bonds must be authenticated by an authorized officer of the Registrar or by the Clerk-Treasurer if the Clerk-Treasurer is acting as the Registrar. The Bonds and any additional bonds issued on a parity with the Bonds in accordance with the restrictions imposed by this Ordinance (the "Parity Bonds"), as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the System. The City shall not be obligated to pay the principal of and interest on the Bonds, except from the Net Revenues of the System, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State.

SECTION 6. Form of Bonds. The form and tenor of the Bonds shall be substantially as set forth in Exhibit B, with all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof.

SECTION 7. Preparation and Sale of Bonds. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Clerk-Treasurer are hereby authorized and directed to execute the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds to the purchasers thereof after the sale made in accordance with the provisions of this Ordinance, provided that at the time of such delivery, the Clerk-Treasurer shall collect the full amount which the purchasers have agreed to pay therefor, which amount shall not be less than the applicable minimum percentage of the par value of the Bonds set forth in Section 2 of this Ordinance. The City may receive payment for the Bonds in installments. The Bonds, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the System to be set aside into the Sinking Fund as provided herein. The proceeds derived from the sale of the Bonds and the investment income therefrom shall be and are hereby set aside and appropriated to pay the costs of the Project and the expenses necessarily incurred in connection with the issuance of the Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

SECTION 8. Bond Sale Notice; Official Statement.

(d) If the Bonds are to be sold at a competitive sale, the Clerk-Treasurer shall cause to be published either (i) a notice of bond sale in the authorized newspaper(s) for the City of Attica, Indiana, two (2) times, at least one week apart, with the first publication being made at least fifteen (15) days before the date of the sale and the second publication being made at least three days before the date of the sale or (ii) a notice of intent to sell bonds in the authorized newspaper(s) and the *Court & Commercial Record*, all in accordance with IC 5-1-11, as amended, and IC 5-3-1, as amended. The notice shall state the character, the amount and the authorized denominations of the Bonds, the maximum rate or rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the City shall deem advisable. Any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a financial surety bond in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State, and such bond must be submitted to the

City prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then the purchaser is required to submit to the City a certified or cashier's check (or wire transfer such amount as instructed by the City) not later than 3:30 p.m. (City time) on the next business day following the award. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then such good faith deposit and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default. Bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and such interest rate or rates shall be in multiples of one-one hundredth (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than the applicable minimum percentage of the par value of the Bonds set forth in Section 2 of this Ordinance will be considered. The opinion of Bond Counsel approving the legality of the Bonds will be furnished to the purchaser at the expense of the City.

(e) The Bonds shall be awarded by the Clerk-Treasurer to the best bidder who has submitted its bid in accordance with the terms of this Ordinance, IC 5-1-11, as amended, and the notice. The best bidder will be the one who offers the lowest interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities and deducting the premium bid, if any, or adding thereto the discount bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

(f) Distribution of an Official Statement (preliminary and final) when and if prepared by the Financial Advisor, on behalf of the City, is hereby authorized and approved, and the Mayor is authorized and directed to execute the Official Statement in a form consistent with this Ordinance. The Mayor and the Clerk-Treasurer are authorized to deem the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

(g) As an alternative to public sale, the City may negotiate the sale of one or more series of the Bonds to the Indiana Bond Bank or Indiana Finance Authority. The Mayor and the Clerk-Treasurer are hereby authorized to (i) submit an application to the SRF Program, (ii) execute the Financial Assistance Agreement (including any amendment thereof) with the Indiana Finance Authority, and (iii) sell one or more series of the Bonds upon such terms as are acceptable to the Mayor and the Clerk-Treasurer consistent with the terms of this Ordinance. The Financial Assistance Agreement (including any amendment thereof) for one or more series of the Bonds and the Project shall be executed by the authorized officers of the City and the Indiana Finance Authority. The substantially final form of the Financial Assistance Agreement attached hereto and incorporated herein by reference is hereby approved by the City, and the Mayor and the Clerk-Treasurer are hereby authorized to execute and deliver the same and to approve any changes in form or substance to the Financial Assistance Agreement, and such approval shall be conclusively evidenced by its execution.

SECTION 9. Use of Proceeds. The accrued interest and the premium, if any, received at the time of the delivery of the Bonds shall be deposited in the Sewage Works Sinking Fund (the "Sinking

Fund”). The remaining proceeds from the sale of the Bonds, shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as “City of Attica, Sewage Works Construction Account 2018” (the “Construction Account”). The funds in each of such special accounts shall be deposited, held, secured or invested in accordance with the laws of the State relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, 4-4-11 and 13-18-13, as amended or supplemented, and the acts amendatory thereof and supplemental thereto. The funds in such special account or accounts shall be expended only for the purpose of paying the costs of issuance of the Bonds, the cost of the Project, or as otherwise required by the Act. The cost of obtaining the legal services of Bond Counsel shall be considered a part of the costs of issuance of the Bonds.

(h) The City hereby declares that it reasonably expects to reimburse each of the City’s and City’s advances to the Project from proceeds of the Bonds, as anticipated by this Ordinance.

(i) Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall subject to (c) below, either (1) be deposited in the Sinking Fund and used solely for the purposes of said Fund or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

(j) With respect to any series of Bonds sold to the Indiana Finance Authority, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City or (b) proceeds remain in the Construction Fund and are not applied to the Project (or any modifications or additions thereto approved by the Department and the Indiana Finance Authority), the City shall reduce the principal amount of the Bond maturities to effect such reduction in a manner that will still achieve as level annual debt service as practicable as described in Section 2(c) subject to and upon the terms set forth in the Financial Assistance Agreement.

SECTION 10. Revenues. All income and revenues of the System (including any System Development Charges that are not considered Net Revenues) shall be deposited upon receipt in the Sewage Works Revenue Fund (the “Revenue Fund”) hereby created. The Revenue Fund shall be maintained separate and apart from all other accounts of the City. All moneys deposited in the Revenue Fund may be invested in accordance with IC 5-13, 4-4-11 and 13-18-13, as amended or supplemented, and other applicable laws. Out of said Revenue Fund the proper and reasonable expenses of operation and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars or paying agents shall be paid, the reserve fund shall be funded and the costs of replacements, extensions, additions and improvements to the System shall be paid. Except as set forth in Section 13 hereof, no moneys derived from the revenues of the sewage works shall be transferred to the general fund of the City or be used for any purpose not connected with the sewage works.

SECTION 11. Operation and Maintenance Fund. There shall be set apart and paid out of the gross revenues of the works into a cash operating fund which is hereby created and designated as the Sewage Works Operation and Maintenance Fund (“Operation and Maintenance Fund”) an amount necessary and sufficient to pay the monthly costs of operating, repairing and maintaining said sewage works. A balance shall be maintained in the Operation and Maintenance Fund which shall

equal an amount at least sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for transfers for payment in lieu of property taxes, depreciation, replacements, improvements, or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the sewage works.

SECTION 12. Sewage Works Sinking Fund. The Sewage Works Sinking Fund (“Sinking Fund”) is hereby created and designated and constituted as the special fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works (including any System Development Charges that are considered Net Revenues), and the payment of any fiscal agency charges in connection with the payment of the bonds and interest. The Sinking Fund is divided into two accounts hereby created and designated as the Sewage Works Bond and Interest Account (the “Bond and Interest Account”) and the Sewage Works Debt Service Reserve Account (the “Reserve Account”).

There shall be set aside from the gross revenues of the works, after first making the required payments into the Operation and Maintenance Fund, and paid into the Bond and Interest Account of the Sinking Fund monthly, as available, a sufficient amount of the Net Revenues of the sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of said sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, and (c) the principal of all bonds payable from the revenues of the sewage works, as such principal shall fall due. The monthly payments into said Bond and Interest Account shall be in an amount equal to at least one-sixth (1/6) of the amount required for interest during the next succeeding six (6) calendar months and an amount equal to at least one-twelfth (1/12) of the amount required for principal payments during the next succeeding twelve (12) calendar months.

The Reserve Account will be held as a reserve for the Bonds and any additional bonds subsequently issued on a parity with the Bonds (“Parity Bonds”). There shall be held in said Reserve Account an amount which equals the maximum annual debt service on the Bonds and any Parity Bonds (“Reserve Requirement”). The Reserve Requirement is hereby determined to be reasonable. On the date of delivery of the Bonds, the City may deposit funds on hand into the Reserve Account. If the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five years of the date of delivery of the Bonds. All money in the Reserve Account shall be used and withdrawn by the City solely for the purpose of making payment the Bonds and any Parity Bonds to the extent that available moneys in the Bond and Interest Account are insufficient for such purpose, or to make final payments on such bonds when money in the Reserve Account, together with other money held in the Sinking Fund, is sufficient to make all remaining payments to final maturity; provided, notwithstanding the foregoing, that amounts in the Reserve Account in excess of the Reserve Requirement shall be transferred from time to time to the Bond and interest Account and thereupon applied to the required payments into the Bond and Interest

Account as provided in the preceding paragraph. In the event moneys in the Reserve Account are used to pay principal of and interest on the Bonds or any Parity Bonds, then such depletion of said Reserve Account shall be made up from the next available Net Revenues, after required deposits to the Bond and Interest Account, to restore the balance of the Reserve Account to an amount equal to the Reserve Requirement.

Any excess revenues of the sewage works available after making the deposits required by Sections 11 and 12 above may be used to provide or restore any debt service reserve account established to secure junior bonds issued as contemplated by Section 19(f).

If the Bonds are sold to the Authority as part of the SRF Program, the Sinking Fund, containing the Bond and Interest Account and the Reserve Account and the Construction Account, may be held by a financial institution acceptable to the Authority, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Reserve Account, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the City's outstanding bonds. If the Construction Account is held in trust, the City shall deposit the proceeds of such Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Common Council hereby authorizes the Mayor and Clerk-Treasurer to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sinking Fund and the Construction Account in the form of trust agreement as is consistent with the terms and provisions of this Ordinance. The financial institution selected to serve in this role may also serve as Registrar and Paying Agent for any outstanding bonds of the City.

SECTION 13. Improvement Fund. Any excess revenues of the sewage works available after making the deposits required by Sections 11 and 12 may be set aside and paid into the special utility fund designated the Sewage Works Improvement Fund ("Improvement Fund"), hereby created, and be used to pay the cost of additions, improvements and extensions to the sewage works. No revenues of the sewage works shall be deposited in or credited to the Improvement Fund which will interfere with the requirements of the Sinking Fund.

In the event of any deficiency at any time in the Operation and Maintenance Fund or the Sinking Fund, funds may be withdrawn from the Improvement Fund for deposit into said Operation and Maintenance Fund or Sinking Fund in the amount of such deficiency.

Payments in lieu of taxes may be made solely from the Improvement Fund and may be made not more frequently than semiannually on January 1 and July 1 and only if the amounts required to be held as of such dates in the Operation and Maintenance Fund and the Sinking Fund pursuant to Section 11 and Section 12 are so held after considering any such contemplated payment.

Other than the foregoing payments in lieu of taxes, no moneys derived from the revenues of the sewage works shall be transferred to the general fund of the City or be used for any purpose not connected with the sewage works so long as any bonds payable from the revenues of the sewage works are outstanding.

SECTION 14. Maintenance of Accounts: Investments. The Sinking Fund shall be maintained as a separate account or accounts from all other accounts of the City. The Operation and Maintenance

Account and the Improvement Fund may be maintained in a single account or separate accounts, but such account or accounts shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All moneys deposited in the Funds and Accounts created by this Ordinance shall be deposited, held and secured as public funds in accordance with the public depository laws of the State; provided that moneys therein may be invested in obligations in accordance with applicable laws, including IC 5-13, 4-4-11 and 13-18-13, as amended or supplemented, and in the event of such investment, the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance. Nothing in this Section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts created by this Ordinance except that (a) the Sinking Fund and Construction Fund shall be maintained as separate bank accounts from the other Funds and Accounts of the System, and (b) the other Funds and Accounts of the System shall be maintained as a separate bank account from the other funds and accounts of the City.

SECTION 15. Maintenance of Books and Records. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the System, all disbursements made on account of the System and all other transactions relating to the System. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. If the Bonds are sold to the Indiana Finance Authority, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the System in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Governmental Accounting Standards Board, and (ii) the rules, regulations and guidance of the State Board of Accounts.

SECTION 16. Rate Covenant. The City covenants and agrees that it will establish and maintain reasonable and just rates and charges for the use of and the service rendered by the System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the System, or that in any way uses or is served by the System, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the City), provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient so long as the Bonds are outstanding and owned by the Authority as part of its SRF Program, to provide for Operation and Maintenance (as defined in the Financial Assistance Agreement) of the System, to comply with and satisfy all covenants contained in this Ordinance and any Financial Assistance Agreement and all obligations of the System and of the City with respect to the System. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of Operation and Maintenance of the System and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of the System by and service rendered to the City and shall be paid by the City as the charges accrue.

SECTION 17. Defeasance of Bonds. If: (i) any of the Bonds shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal, the premium, if any, and the interest, so due and payable upon all of the Bonds or any designated portion thereof then outstanding shall be paid; or (ii) the City shall cause to be held in trust for the purpose of paying when due the principal of, premium, if any, and interest on the

Bonds or any designated portion thereof, money, together with direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due, will be sufficient, without reinvestment, to make such payments, and provision shall also be made for paying all fees and expenses for the redemption of such Bonds; then and in that case, such Bonds shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the System.

SECTION 18. Additional Bonds. The City reserves the right to authorize and issue Parity Bonds for the purpose of financing the cost of future additions to, extensions of and improvements to the System, or to refund obligations, subject to the following conditions:

(a) The principal of and interest on all bonds payable from the Net Revenues of the System shall have been paid in accordance with the terms thereof, and the amounts required to be paid into the Sinking Fund shall have been made to date in accordance with the provisions of this Ordinance. If a reserve fund is established for the Parity Bonds, the Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five (5) year or shorter period, in a manner which is commensurate with the requirements established in Section 12 of this Ordinance.

(b) The Net Revenues of the System, adjusted for fixed, known and measurable changes in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of the then outstanding bonds payable from the Net Revenues and the additional Parity Bonds proposed to be issued; or, prior to the issuance of such Parity Bonds, the sewer rates and charges shall be increased sufficiently so that such increased rates and charges applied to the previous year's operations would have produced Net Revenues for such year equal to not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of the then outstanding bonds payable from the Net Revenues and the additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the System shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose. In addition, for purposes of this subsection, with respect to any Parity Bonds hereafter issued while the Bonds remain outstanding and owned by the Authority as part of its SRF Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Parity Bonds without satisfying this subsection (b).

(c) The principal of, or mandatory sinking fund redemption dates for, the additional Parity Bonds shall be payable annually on January 1 and interest on the additional Parity Bonds shall be payable semiannually on January 1 and July 1.

(d) If the Bonds are sold to the Indiana Finance Authority: (i) the City obtains the consent of the Indiana Finance Authority; (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance; and (iii) the City is in compliance with its National Pollutant Discharge Elimination System permits, except for noncompliance, the elimination of which is a purpose for which the Parity Bonds, including any refunding bonds, are issued, so long as such issuance constitutes part of an overall plan to eliminate such noncompliance.

(e) Parity Bonds may also be issued to refund less than all of the then outstanding bonds issued pursuant to this Ordinance or ranking on a parity therewith, but any such refunding bonds shall be subject to the conditions in this section unless the bonds being refunded mature within three (3) months of the date of such refunding and no other funds are available to pay such maturing bonds. In computing the maximum annual interest and principal requirements pursuant to subsection (b), the interest on and principal of the refunding bonds shall be substituted for the interest on and principal of the bonds being refunded.

SECTION 19. Further Covenants. For the purpose of further safeguarding the interests of the owners of the Bonds, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of the Project shall be let after due advertisement as required by the laws of the State, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of such contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State in the case of public contracts and shall be governed in all respects by the laws of the State relating to public contracts.

(b) The Project shall be constructed under the supervision and subject to the approval of the Engineer. All estimates for work done or material furnished shall first be checked by the Engineer and approved by the City.

(c) So long as any of the Bonds are outstanding, the City shall at all times maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds are outstanding, the City shall acquire and maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State. As an alternative to maintaining such insurance but only if the Bonds are not sold to the Indiana Finance Authority, the City may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities. All insurance or self-insurance proceeds or condemnation proceeds shall be used in replacing or restoring the System or, if the Bonds are not sold to the Indiana Finance Authority, shall be deposited in the Sinking Fund.

(e) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of the System or any portion thereof or any interest therein, and if the Bonds are sold to the Indiana Finance Authority, the City shall not do so, without the prior written consent of the Indiana Finance Authority. The City shall not sell, lease or otherwise dispose of any part of the System, except for such machinery, equipment or other property as may be replaced or shall no longer be necessary for use in connection with the System, and if the Bonds are sold to the Indiana Finance Authority, the City shall not do so, without the prior written consent of the Indiana Finance Authority.

(f) Except as otherwise specifically provided in Section 18 hereof, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of

the System shall be authorized, executed, or issued by the City, except those as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless the Bonds are redeemed or defeased pursuant to Section 4 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) If the Bonds are sold to the Indiana Finance Authority, the City shall not, without the prior written consent of the Indiana Finance Authority, (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the System other than for normal operating expenditures, or (ii) borrow any money (including without limitation any loan from other utilities operated by the City) in connection with the System.

(h) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds, all the terms of which shall be enforceable by any holder of the Bonds by any and all appropriate proceedings at law or in equity. After the issuance of the Bonds, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the Bonds, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution which in any way materially adversely affects the rights of such owners so long as any of the Bonds remain outstanding. Except for the changes set forth in Section 22(a)(1)-(7) of this Ordinance, this Ordinance may be amended, however, without the consent of the Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not materially adversely affect the rights of any of the owners of the Bonds; provided, however, that if the Bonds are sold to the Indiana Finance Authority, the City shall obtain the prior written consent of the Indiana Finance Authority.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds for the uses and purposes set forth herein, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and the Act. The provisions of this Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund or the Improvement Fund for the uses and purposes of such Funds as set forth in this Ordinance. The owners of the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer the System, in the event of default in the payment of the principal of or interest on any of the Bonds. Upon the appointment of such receiver, the receiver may: (i) charge and collect rates sufficient to provide for the payment of the expenses of the operation, repair and maintenance of the System and debt service as provided in the next following clause (ii); (ii) pay the principal of, premium, if any, and interest on any bonds payable from Net Revenues; and (iii) apply the revenues of the System in conformity with the Act and this Ordinance. In addition, any owner of the Bonds may, by civil action, protect and enforce rights granted by the Act or under this Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

(j) In addition, any owner of the Bonds may, by civil action, protect and enforce rights granted by the Act or under this Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System as described in this Ordinance.

(k) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the City derived from any source other than the proceeds of the Bonds or the operations of the System.

(l) The City shall take all actions or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(m) For purpose this Section 19, the term “lease” shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the System, whether the City desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

SECTION 20. Investment of Funds.

(a) The Clerk-Treasurer is hereby authorized pursuant to IC 5-1-14-3, as amended, to invest moneys pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to insure the yields on such investments are equal to the then current market rates) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

(b) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the Funds and Accounts created by this Ordinance. In order to comply with the provisions of the Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion described above. The Clerk-Treasurer may pay the fees of such consultants or attorneys as operation expenses of the System.

SECTION 21. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds (the “Code”), and as an inducement to the purchasers of the Bonds, the City represents, covenants and agrees that:

(a) The use of the System will be based upon arrangements providing for use that is available to the general public on the basis of rates that are generally applicable and uniformly applied, and, to the extent so used, such use shall constitute general public use. No person or entity, other than the City or another state or local governmental unit, will use more than 10% of the proceeds of the Bonds or the property financed by the Bond proceeds, other than in a manner constituting general public use. No person or entity, other than the City or another state or local governmental unit, will own property financed by the Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, management, service or incentive payment contract, or any other type of arrangement that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from general public use, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds, as the case may be. If the City enters into a management contract for all

or a portion of the System, the terms of the contract will comply with the Treasury Regulations issued by the United States Department of the Treasury (the “Regulations”) and IRS Revenue Procedure 2017-13, and as such may hereafter be further amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in the aggregate will not relate to more than ten percent (10%) of the proceeds of the Bonds.

(b) No more than ten percent (10%) of the principal of or interest on the Bonds is (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for private business use or payments in respect of such property, or to be derived from payments (whether or not to the City) in respect of property or borrowed money used or to be used for a private business use.

(c) No more than five percent (5%) of the Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than five percent (5%) of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds.

(e) No more than five percent (5%) of the proceeds of the Bonds will be attributable to private business use as described in paragraph (a) above and private security or payments described in paragraph (b) above attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issues and use that is related but disproportionate to any governmental use of those proceeds.

(f) The City will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion.

(g) It shall not be an event of default under this Ordinance if the interest on any Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) The City represents that it will rebate any arbitrage profits to the United States of America to the extent required by the Code and the Regulations.

(i) The Bonds are hereby designated as “qualified tax-exempt obligations” for the purposes of Paragraph (3) of Section 265(b) of the Code, and any or all officials, officers, members, employees and agents of the City are hereby authorized to execute on behalf of the City any documents necessary or appropriate to evidence further such designation. The reasonably anticipated amount of “tax-exempt obligations” (as such term is used in Section 265(b) of the Code) (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the City or otherwise on behalf of the City or subordinate entities during calendar year 2018 does not and will not exceed

\$10,000,000 in such calendar year, and not more than \$10,000,000 of obligations issued by the City or otherwise on behalf of the City or subordinate entities have been or shall be designated “qualified tax-exempt obligations” during calendar year 2018. The designation set forth in this Section 21 as to the Bonds may be revoked by the Clerk-Treasurer prior to the issuance of the Bonds.

(j) These covenants are based solely on current law in effect and in existence on the date of delivery of the Bonds.

(k) Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the “Tax Sections”), which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the “Tax Exemption”), need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 22. Amendments with Consent of Bondholders.

(a) Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Common Council of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance or any supplemental ordinance; provided, however, that if the Bonds are sold to the Indiana Finance Authority, the City shall obtain the prior written consent of the Indiana Finance Authority; and provided, further, that that nothing herein contained shall permit or be construed as permitting:

- (1) An extension of the maturity of the principal of or the due date of interest on any Bond; or
- (2) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (3) The creation of a lien upon or a pledge of the revenues or Net Revenues of the System ranking prior to the pledge thereof created by this Ordinance; or
- (4) A preference or priority of any Bond or Bonds over any other Bond or Bonds; or
- (5) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (6) A reduction in the Reserve Requirement; or
- (7) The extension of mandatory sinking fund redemption dates for the Bonds, if any.

(b) If the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-

Treasurer, no owner of any Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Common Council from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and the owners of the Bonds, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the owners of all the Bonds then outstanding.

SECTION 23. Continuing Disclosure. If necessary in order for the purchaser of the Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the Mayor and the Clerk-Treasurer are hereby authorized to execute and deliver, in the name and on behalf of the City, (i) an agreement by the City to comply with the requirements for a continuing disclosure undertaking of the City pursuant to subsection (b)(5) or (d)(2) of the Rule, and (ii) amendments to such agreement from time to time in accordance with the terms of such agreement (the agreement and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Agreement"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The remedies for any failure of the City to comply with and carry out the provisions of the Continuing Disclosure Agreement shall be as set forth therein.

SECTION 24. Other Actions. Each of the proper officers of the City is hereby authorized and directed, for and on behalf of the City, to execute and deliver any agreement, certificate or other instrument, including without limitation any financial assistance agreement, escrow agreement, continuing disclosure agreement, agreement with any Bond Insurer, agreement with any Rating Service, preliminary official statement or official statement, or take any other action which such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

SECTION 25. Severability. If any section, paragraph or provision of this Ordinance 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 Ordinance.

SECTION 26. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

SECTION 27. Conflicting Ordinances. All prior ordinances and parts of prior ordinances, insofar as they are in conflict herewith, are hereby repealed.

SECTION 28. Effective Date. This Ordinance shall be in full force and effect from and after its passage and compliance with the procedures required by law.

DULY PASSED on this ____ day of _____, 2018, by the Common Council of the City of Attica, Indiana.

Presiding Officer

ATTEST:

Susan Stoll, Clerk-Treasurer

This Ordinance presented by me, the Clerk-Treasurer of the City of Attica, Indiana, to the Mayor for his approval this ____ day of _____, 2018.

Susan Stoll, Clerk-Treasurer

This Ordinance signed and approved by me, the Mayor of the City of Attica, Indiana, this ____ day of _____, 2018.

Duane Roderick, Mayor

SCHEDULE OF EXHIBITS

EXHIBIT A - Project Description

EXHIBIT B - Form of Bond

EXHIBIT C – Form of Financial Assistance Agreement

EXHIBIT A
PROJECT DESCRIPTION

EXHIBIT B
FORM OF BOND
(Attached)

No. R-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF FOUNTAIN

CITY OF ATTICA, INDIANA

SEWAGE WORKS REVENUE BOND, SERIES 2018

Maturity Date	Interest Rate	Original Issue Date	Authentication Date	CUSIP
[See Exhibit A]	[See Exhibit A]			

Registered Owner:

Principal Sum:

The City of Attica, Indiana (the "City"), in Fountain County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum specified above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the Registered Owner making payment for this Bond (as defined below), or its assigns,] on [the Maturity Date set forth above] or [(unless this Bond is subject to and shall have been duly called for redemption and payment as provided for herein)], and to pay interest hereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond, unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, 20__, in which case it shall bear interest from the Original Issue Date, which interest is payable semiannually on the first days of January 1 and July 1 of each year, beginning on _____ 1, 20__. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of and premium, if any, on this Bond is payable at the principal office of _____ (the "Registrar" or the "Paying Agent"), in the _____ of _____ Indiana.] All payments of [principal of, premium, if any, and] interest on this Bond shall be paid by check mailed one business day prior to the interest payment date on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the Registered Owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by the [Clerk-Treasurer of the City (the "Registrar" or the "Paying Agent") in the City] [Registrar]. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer

shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the City's Sewage Works Revenue Bonds, Series 201_ (the "Bonds"), shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State, and the City shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues (herein defined as the gross revenues of the System (herein defined as the City's Sewage Works system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired), inclusive of System Development Charges (as defined in the Ordinance), remaining after the payment of the reasonable expense of operation, repair and maintenance of the System).

This Bond is one of an authorized series of Bonds of like tenor and effect, except as to numbering, interest rates per annum and dates of maturity, in the total amount of _____ Dollars (\$ _____) lettered and numbered consecutively from R-1 and upward, issued for the purpose of providing funds to pay the cost of the acquisition of, and the construction and installation of certain improvements to, the System, including, without limitation, the acquisition and installation of necessary equipment therefor and the making of other site improvements related thereto (the "Project"), and to pay the costs of issuance of the, as authorized by: an ordinance adopted by the Common Council of the City on _____, 2018, entitled "AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN IMPROVEMENTS TO THE SEWAGE WORKS SYSTEM OF THE CITY OF ATTICA, INDIANA, THE ISSUANCE OF REVENUE BONDS TO PROVIDE THE COST THEREOF, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SYSTEM, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SUCH REVENUE BONDS, AND OTHER MATTERS CONNECTED THEREWITH, AND REPEALING ORDINANCES INCONSISTENT HERewith" (the "Ordinance"), and in strict compliance with the provisions of IC 36-9-23 as in effect on the issue date of this Bond (the "Act"). Capitalized terms not otherwise defined herein have the same meanings as ascribed to them in the Ordinance.

Pursuant to the provisions of the Ordinance and the Act, the principal of and interest on this Bond and any bonds hereafter issued ranking on a parity therewith (collectively, the "Bonds"), are payable solely from a sinking fund created by this Ordinance (the "Sinking Fund") to be funded from the Net Revenues of the System, except to the extent payable from the proceeds of the Bonds.

The City irrevocably pledges, the entire Net Revenues of the System to the prompt payment of the principal of and interest on the Bonds and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by the System as are sufficient in each year for the payment of Operation and Maintenance (as defined in the Financial Assistance Agreement) of the System and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. The rates and charges shall be established, to the extent permitted by law, to produce Net Revenues sufficient to pay the annual debt service on all outstanding bonds. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or

charges, or if there shall be a default in the payment of the principal of or interest on the Bonds when due, the owner of this Bond shall have all of the rights and remedies provided for in the Act and the Ordinance, including the right to have a receiver appointed to administer the System (but only in the event of a default in the payment of the principal of or the interest on the Bonds when due), and, by civil action, to protect and enforce rights granted by the Act or under the Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

The City further covenants that it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues to pay: (a) the principal of and interest on all Bonds, as such principal and interest shall come due; (b) the necessary fiscal agency charges for paying the principal of and interest on the Bonds; and (c) an additional amount to create and maintain the debt service reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the System.

The Bonds of this issue maturing on _____ 1, 20____, and thereafter, are redeemable at the option of the City on _____ 1, 20____, or any date thereafter, on [sixty (60)] [thirty (30)], in whole or in part, [in the order of maturity as determined by the City] [in inverse order of maturity] and by lot within a maturity, at face value together with the following premiums:

- ___% if redeemed on _____, 20____ or thereafter
on or before _____, 20____
- ___% if redeemed on _____, 20____ or thereafter
on or before _____, 20____
- ___% if redeemed on _____, 20____, or thereafter
prior to maturity;

plus in each case accrued interest to the date fixed for redemption; provided, however, if the Bonds are sold to the SRF Program and registered in the name of the Indiana Finance Authority, the Bond shall not be redeemable at the option of the City unless and until consented to by the Indiana Finance Authority.

[The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof, plus accrued interest, on January 1 on the dates and in the amounts set forth below:

Year	Amount
------	--------

*

*Final Maturity.]

[In the event the Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for mandatory sinking fund redemption before selecting the Bonds by lot for optional redemption.]

Notice of redemption shall be mailed to the address of the Registered Owner as shown on the registration record of the City, as of the date which is forty-five (45) [seventy-five (75)] days prior to such redemption date, not less than thirty (30) [forty-five (45)] days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

[The Bonds shall be called for redemption in multiples of \$_____. The Bonds in denominations of more than \$_____ shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$_____ within a maturity.] The Bonds may be redeemed in part. In the event of the redemption of the Bonds in part, upon surrender of the Bond to be redeemed, a Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the Registered Owner.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, and the City shall have deposited in trust with [the Paying Agent] [its depository bank], an amount sufficient to pay this Bond or the redemption price, as the case may be, then the Registered Owner shall thereafter look only to the funds so deposited in trust with [the Paying Agent] [such depository bank] for payment and the City shall have no further obligation or liability with respect thereto.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the Registered Owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or its attorney duly authorized in writing, and thereupon a fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the Registered Owner, as the case may be, in exchange therefor. [Except as otherwise provided in the Disclosure Agreement described below, the] [The] City, the Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof, premium, if any, and interest due hereon.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of \$_____ or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

[All of the Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

THE REGISTERED OWNER, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. This Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance if the City determines, in its sole discretion, that the amendment shall not materially adversely affect the rights of any of the owners of the Bonds.

[Reference is hereby made to the Financial Assistance Agreement, as amended from time to time, between the City and the Indiana Finance Authority as to certain terms and covenants pertaining to the Project and this Bond (the “Financial Assistance Agreement”).]

[A Continuing Disclosure Agreement dated as of the Original Issue Date (the “Disclosure Agreement”) has been executed by the City for the benefit of each registered or beneficial owner of any Bond. A copy of the Disclosure Agreement is available from the City and its terms are incorporated herein by reference. The Disclosure Agreement contains certain covenants of the City to each registered or beneficial owner of any Bond, including a covenant to provide continuing disclosure of certain annual financial information and notices of the occurrence of certain events, if material. By its payment for and acceptance of this Bond, the Registered Owner and any beneficial owner of this Bond assents to the Disclosure Agreement and to the exchange of such payment and acceptance for such covenants.]

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and completion of the execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been executed by [an authorized representative] of the Registrar.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its corporate name and on its behalf by the manual or facsimile signature of its Mayor, have its corporate seal affixed hereunto, imprinted or impressed by any means, and be attested manually or by facsimile by its Clerk-Treasurer.

CITY OF ATTICA, INDIANA

[SEAL]

By: _____
Mayor

Attest:

By: _____
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

[_____
 , as Registrar]

[_____ ,
 as Registrar

By
 Authorized Representative]

ABBREVIATIONS

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	as tenants in common
TENT ENT	as tenants by the entireties
JT TEN	as joint tenants with right of survivorship and not as tenants in common
UNIF TRAN	
MIN ACT	Custodian
	(Cust) (Minor)
	under Uniform Transfers to Minors Act of

(State)

Additional abbreviations may also be used although not in the list above

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name, address and social security or other identifying number of the assignee and insert number for the first named transferee if held by joint account)

the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, as attorney to transfer the within Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

REGISTERED OWNER:

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation or anyone in a representative capacity, proof of authority to act must accompany this assignment.

Signature guaranteed by:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined in SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

**EXHIBIT A
CITY OF ATTICA, INDIANA
SEWAGE WORKS REVENUE BOND, SERIES 201_**

Year

Principal Amount

EXHIBIT C

FORM OF FINANCIAL ASSISTANCE AGREEMENT

(Attached)