

ORDINANCE NO. 2023-33

An ordinance concerning the construction of additions and improvements to the waterworks of the City of Lafayette, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation, and distribution of the revenues of said waterworks, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith

WHEREAS, the City of Lafayette, Indiana(the “Issuer”) has heretofore established, constructed, and financed its waterworks, and now owns and operates said waterworks pursuant to Indiana Code 8-1.5, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the “Act”) (all references hereinafter to the Indiana Code are designated as “IC” followed by the applicable code section or sections); and

WHEREAS, the legislative body of the Issuer (the “Legislative Body”) finds that certain improvements and extensions to said works are necessary; that plans, specifications and estimates have been prepared and filed by the Issuer’s engineers for the construction of said improvements and extensions (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the “Project”), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and will be approved by the aforesaid governmental authorities and are incorporated herein by reference and will be open for inspection at the office of the Issuer as required by law; and

WHEREAS, the Issuer will advertise for and receive bids for the Project, which bids will be subject to the Issuer’s determination to construct the Project and obtaining funds to pay for the Project; and

WHEREAS, based upon the estimates of the Issuer’s engineers and other information provided to the Issuer by the engineers for the Project, the estimated costs of the Project, including engineering, municipal advisory, and legal fees, is in the estimated amount not to exceed \$400,000; and

WHEREAS, the Legislative Body finds that the Issuer has no funds on hand available to apply on the costs of the Project and that it is necessary to finance the entire costs thereof by the issuance of waterworks revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$400,000 and, if necessary, bond anticipation notes (the “BANs”); and

WHEREAS, the Legislative Body finds that to the extent there are any outstanding bonds of the waterworks (“Outstanding Parity Bonds”) that constitute a first charge on the Net Revenues(as defined herein), prior to issuing the bonds to be issued pursuant to this Ordinance, at the request of the Authority (as defined herein), the Legislative Body, if necessary, shall adopt an ordinance amending and restating this Ordinance, to satisfy the conditions for the issuance of additional parity bonds, as described in the ordinance that authorized the Outstanding Parity

Bonds. To the extent the Issuer is required to issue bonds pursuant to this Ordinance to meet its obligations to redeem and retire any bond anticipation notes issued pursuant to this Ordinance and the Financial Assistance Agreement (as defined herein) that are not able to not satisfy the conditions for the issuance of additional parity bonds (as described in the ordinance that authorized the Outstanding Parity Bonds), even after taking all possible steps to meet such conditions, such bonds shall, at the request of the Authority, be issued pursuant this Ordinance as a second charge on the Net Revenues, junior and subordinate to any Outstanding Parity Bonds; and

WHEREAS, the bonds to be issued pursuant to this Ordinance will constitute a first charge against the Net Revenues of the waterworks, on a parity with the payment of any Outstanding Parity Bonds, and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this Ordinance; and

WHEREAS, the Issuer desires to authorize the issuance of BANs hereunder, if necessary, payable solely from the proceeds of waterworks revenue bonds issued hereunder, and, with respect to interest only, proceeds of the BANs allocable to capitalized interest and/or Net Revenues of the waterworks, junior and subordinate to the bonds herein authorized and any additional bonds issued pursuant to Section 21 hereof, and to authorize the refunding of said BANs, if issued; and

WHEREAS, the Legislative Body has been advised by the Issuer's municipal advisor that it may be economically efficient to acquire a municipal bond insurance policy and/or debt service reserve surety for the bonds hereby authorized; and

WHEREAS, if the bonds or BANs herein authorized are sold to the Indiana Finance Authority (the "Authority") as part of its drinking water revolving loan program, supplemental drinking water and wastewater assistance program, water infrastructure assistance program and/or water infrastructure grant program, established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 (collectively, the "IFA Program"), the Issuer will enter into a Financial Assistance Agreement, Funding Agreement, Grant Agreement and/or Financial Aid Agreement (in substantially the form attached as Exhibit B hereto and made a part hereof) together with any subsequent amendments thereto (collectively, the "Financial Assistance Agreement") with the Authority pertaining to the Project and the financing thereof; and

WHEREAS, the Issuer may accept other forms of financial assistance, as and if available from the IFA Program; and

WHEREAS, the Legislative Body understands that for the Project to be permitted to be financed under the IFA Program, the Issuer must (a) agree to own, operate, and maintain the waterworks and the Project for their useful life and (b) represent and warrant to the Authority that the Issuer has no intent to sell, transfer or lease the waterworks or the Project for their useful life; and

WHEREAS, to the extent the Issuer's waterworks is under the jurisdiction of the Indiana Utility Regulatory Commission (the "IURC") with respect to the approval of rates and charges and financings, the Issuer shall, if required, receive of the IURC prior to the issuance of the bonds herein authorized; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the Issuer intends by this Ordinance to qualify amounts advanced by the Issuer to the Project for reimbursement from proceeds of the BANs or the bonds in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, the Legislative Body now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue bonds and BANs have been complied with in accordance with the provisions of the Act; now, therefore,

BE IT ORDAINED BY THE LEGISLATIVE BODY OF THE City of Lafayette, Indiana THAT:

Section 1. Authorization of Project. The Issuer proceed with the construction of the Project pursuant to the plans and specifications therefore as prepared by the Issuer's engineers for the Project, two copies of which plans and specifications are on file in the office of the duly qualified and acting officers of the Issuer (the "Officers") and open for public inspection pursuant to IC 36-1-5-4. The estimated cost for the construction of said Project, based upon the information provided to the Issuer by its consulting engineers for the Project, will not exceed \$400,000, plus investment earnings on the BAN and bond proceeds, without further authorization of the Legislative Body. The terms "waterworks," "waterworks system," "works," "system," and words of like import where used in this Ordinance shall be construed to mean and include the existing waterworks system of the Issuer (and its Drinking Water System as defined in the Financial Assistance Agreement, if applicable), 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. If the bonds herein authorized will be sold to the IFA Program, such terms shall also be construed to mean the Drinking Water System, as defined in the Financial Assistance Agreement to be entered into, in such case, between the Issuer and the Authority through the IFA Program. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project and plans and specifications are hereby approved. The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

In the event the bonds herein authorized or the BANs are purchased by the Authority as part of the IFA Program, on behalf of the Issuer, the Legislative Body hereby (i) agrees to own, operate, and maintain the waterworks and the Project for their useful life and (ii) represents and warrants to the Authority that the Issuer has no intent to sell, transfer or lease the waterworks or the Project for their useful life.

Section 2. Issuance of BANs. The Issuer shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the costs of the Project and to pay costs of issuance. The Issuer may issue its BANs, in one or more series, in an aggregate principal amount not to exceed \$400,000 to be designated “Waterworks Bond Anticipation Notes of 202\_,” to be completed with the year in which any BANs are issued and appropriate series designation, if issued in more than one series. The BANs shall be sold at not less than 99.0% of their par value, numbered consecutively from 1 upward and shall be in denominations of Five Thousand Dollars (\$5,000) and integral multiples thereof. The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed 7.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. Interest on the BANs may, as determined by the Officers of the Issuer, with the advice of the Issuer’s municipal advisor, also be payable semiannually on January 1 and July 1 of each year, commencing on the first January 1 or the first July 1 following delivery of the BANs.

The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 7.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The BANs shall be issued pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 if sold to the Authority or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The Issuer shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act.

Interest on the BANs may, as determined by the Officers, with the advice of the Issuer’s municipal advisor, also be payable from capitalized interest and/or Net Revenues of the waterworks. Any pledge of Net Revenues of the waterworks to the payment of interest on the BANs shall be junior and subordinate to the payment of any Outstanding Parity Bonds, any bonds issued pursuant to this Ordinance and any additional parity bonds issued in the future pursuant to Section 21 of this Ordinance (the “Future Parity Bonds”). The BANs shall rank on a parity with respect to the pledge of Net Revenues of the waterworks in the event more than one (1) series of BANs is outstanding and secured, with respect to the payment of interest thereon, by the Net Revenues of the waterworks.

Notwithstanding anything in this Ordinance to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term “Taxable” as the first word in the designated name.

Section 3. Issuance of Bonds. The Issuer shall issue its waterworks revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$400,000 to be designated

“Waterworks Revenue Bonds, Series 202\_,” to be completed with the year in which issued and appropriate series designation if issued in more than one series (collectively, the “Bonds”), for the purpose of procuring funds to apply on the costs of the Project, refunding the BANs, if issued, funding a reserve, if necessary, and costs of issuance of the Bonds, including the purchase, if necessary, of a municipal bond insurance policy and/or debt service reserve surety.

The Bonds shall be issued and sold at a price not less than 99.0% of the par value thereof. The Bonds shall be issued in fully registered form in denominations of: (i) Five Thousand Dollars (\$5,000) or integral multiples thereof; (ii) One Dollar (\$1) or integral multiples thereof if the Bonds are sold to the Authority through the IFA Program; or (iii) if sold through a private placement, in denominations of One Hundred Thousand Dollars (\$100,000), plus any integral multiple of One Thousand Dollars (\$1,000) in excess thereof, or the aggregate principal amount of such Bonds maturing in any year if less than \$1,000,000. The Bonds shall be numbered consecutively from 1 up and shall be originally dated as of their date of delivery. The Bonds shall bear interest at a rate or rates not exceeding 7.0% per annum (the exact rate or rates to be determined by bidding or through negotiation, as applicable). The interest on the Bonds shall be payable semiannually on January 1 and July 1 in each year, commencing on either the first January 1 or the first July 1 following the date of delivery of the Bonds, as selected by the Officers, with the advice of the Issuer’s municipal advisor. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent (as hereinafter defined). The Bonds shall mature semiannually on January 1 and July 1 of each year, or be subject to mandatory sinking fund redemption on January 1 and July 1 of each year, over a period ending no later than thirty-five (35) years from the date of issuance of the Bonds. The Bonds shall mature in such amounts that will either (i) produce as level annual debt service as practicable taking into account the denominations of the Bonds and the annual debt service on any Outstanding Parity Bonds or (ii) if the Bonds will be sold to the IFA Program, enable the Issuer to meet the requirements of the IFA Program (in such case, the debt service schedule shall be finalized and set forth in the Financial Assistance Agreement).

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on the dates as determined by the purchaser, but in no event later than the last serial maturity date of the Bonds as determined in the preceding paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereafter determined in accordance with the preceding paragraph.

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the waterworks, inclusive of System Development Charges (as hereafter defined), remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the Issuer, including the works authorized herein and all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof subsequently

constructed or acquired, on a parity with the payment of any Outstanding Parity Bonds. 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. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

Notwithstanding anything contained herein, the Issuer may accept any other forms of financial assistance, as and if available, from the IFA Program (including without limitation any forgivable loans, grants, or other assistance) whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto. If required by the IFA 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 provided in the Financial Assistance Agreement and the Bonds of each series of Bonds issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bonds otherwise contained herein).

Section 4. Registrar and Paying Agent. The Officers are hereby authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds and the BANs, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the “Registrar” or “Paying Agent”). The Officers are hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Officers are further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sinking Fund (as hereinafter defined) established to pay the principal of and interest on the Bonds as fiscal agency charges. As to the BANs and as to the Bonds, if sold to a purchaser that does not object to such designation, the Officers may serve as Registrar and Paying Agent and is, in such case, hereby charged with the duties of a Registrar and Paying Agent.

If the Bonds or BANs are sold to the Authority through the IFA program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the 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 Authority through the IFA Program is the owner of said Bonds or BANs, such Bonds and BANs shall be presented for payment as directed by the Authority.

If the Bonds are not sold to the Authority through the IFA Program or if wire transfer payment is not required, 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 payment (the “Record Date”), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. 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 be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the BANs and 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 Issuer 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 Issuer. The Issuer and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such 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 interest due thereon.

Interest on Bonds sold to the Authority through the IFA Program shall be paid from the date or dates which are set forth in the Financial Assistance Agreement. Interest on all other Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which 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 5. Redemption of BANs. The BANs are prepayable by the Issuer, in whole or in part, on any date, upon twenty (20) days’ notice to the owner of the BANs, without any premium.

Section 6. Redemption of Bonds. The Bonds are redeemable at the option of the Issuer. If the Bonds are sold to the Authority through the IFA Program, the Bonds are redeemable at the option of the Issuer no sooner than ten (10) years after their date of delivery, or any date thereafter, on sixty (60) days’ notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the

date fixed for redemption; provided, however, if the Bonds are sold to the IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the Issuer unless and until consented to by the Authority. If the Bonds are sold to a purchaser other than the Authority through the IFA Program, the Bonds are redeemable no sooner than such date as shall be determined by the Officers, prior to the sale of the Bonds, with the advice of the Issuer's municipal advisor, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Issuer, and by lot within a maturity, at face value with no premium, plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Officer, with the advice of the Issuer's municipal advisor, prior to the sale of the Bonds.

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 Issuer, any Bonds maturing as term bonds which have previously been redeemed (otherwise 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 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 only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each authorized denomination amount shall be considered a separate Bond for purposes of optional and mandatory redemption. 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 some 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 optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of redemption shall be given not less than sixty (60) days, if the Bonds are sold to the Authority through the IFA Program, and thirty (30) days if the Bonds are sold to another purchaser, prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the Issuer as of the date which is sixty-five (65) days if the Bonds are sold to the Authority through the IFA Program, and forty-five (45) days if the Bonds are sold to another purchaser, prior to such redemption date. 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 Issuer. 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.



Section 7. Book-Entry Provisions. The Issuer may, upon the advice of its municipal advisor, have the Bonds held by a central depository system pursuant to an agreement between the Issuer and The Depository Trust Company, New York, New York (the “DTC”) and have transfers of the Bonds effected by book-entry on the books of the central depository system. In such case, the Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC and the terms and conditions of this Section 7 shall apply.

If the Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (“Beneficial Owners”) will not receive physical delivery of the Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership of the Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

- (i) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving thirty (30) days’ notice to the Issuer and the Registrar and discharging its responsibilities with respect thereto under applicable law), or
- (ii) the Issuer determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The Issuer and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purposes, including notices and voting. The Issuer and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the Issuer and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this Ordinance as necessary.

The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

The Issuer may, upon the advice of its municipal advisor, have the BANs held in the custody of DTC. In such case, the aforementioned terms and conditions of this Section 7 shall apply to the BANs.

Section 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the Issuer by the manual or facsimile signature of the Officer and attested by the manual or facsimile signature of a separate Officer. 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 said Bonds and BANs. In case any Officer whose signature or facsimile signature appears on the Bonds or BANs shall cease to be such Officer before the delivery of the Bonds or BANs, the signature of such Officer shall nevertheless be valid and sufficient for all purposes the same as if such Officer had remained in office until such delivery. The Bonds shall also be authenticated by the manual signature of an authorized representative of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

The Bonds, and any bonds ranking on a parity therewith, 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 waterworks of the Issuer, on a parity with the payment of any Outstanding Parity Bonds. The Issuer shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the Issuer within the meaning of the provisions and limitations of the constitution of the State of Indiana. Said Bonds and BANs shall have all of the qualities of negotiable instruments under the laws of the State of Indiana subject to the provisions for registration herein.

Section 9. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

*Form of Bond*

[Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Registrar or its agent for registration or transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

No. \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF \_\_\_\_\_

City of Lafayette, Indiana  
WATERWORKS REVENUE BOND, SERIES 202\_\_[\_]

[Maturity Date]            [Interest Rate]            [Original Date] [Authentication Date] [CUSIP]

Registered Owner:

Principal Sum:

The City of Lafayette, Indiana (the "Issuer"), in \_\_\_\_\_ County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth 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, or its assigns,] on [the Maturity Date set forth above] or [January 1 and July 1 in the years and in the amounts as set forth on Exhibit A attached hereto] (unless this Bond be 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 rate per annum specified above from[the dates of payment made on this Bond] or [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, 202\_, in which case it shall bear interest from the Original Date], which interest is payable semiannually on the first day of January and July of each year, beginning on \_\_\_\_\_ 1, 202\_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of this Bond is payable at the principal office of \_\_\_\_\_ (the "Registrar" or "Paying Agent"), in the \_\_\_\_\_ of \_\_\_\_\_, Indiana.] All payments of [principal of and] interest on this Bond shall be paid by [check mailed one business day prior to the interest payment date] or [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority 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 "Registrar" or "Paying Agent") in the \_\_\_\_\_ of \_\_\_\_\_, Indiana] or [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [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 by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).]

All payments on the Bond 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 Issuer, within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Issuer shall not be obligated to pay this Bond or the interest hereon except from the sinking fund provided from the Net Revenues.

This Bond is [the only] one of an authorized issue of Bonds of the Issuer, [of like tenor and effect, except as to numbering, interest rate, and dates of maturity,] in the total amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) [for this series] (the “Bonds”), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of the construction of additions and improvements to the Issuer’s waterworks, [to refund interim notes issued in anticipation of the Bonds] and to pay costs of issuance of the Bonds, as authorized by an Ordinance adopted by the Legislative Body of the Issuer, on the \_\_\_ day of \_\_\_\_\_, 202\_ entitled “An ordinance concerning the construction of additions and improvements to the waterworks of the Issuer, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said waterworks, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith” (the “Ordinance”), and in strict compliance with the provisions of Indiana Code 8-1.5, as in effect on the issue date of the Bonds (the “Act”).

[Reference is hereby made to the Financial Assistance Agreement between the Issuer and the Indiana Finance Authority as to certain terms and covenants pertaining to the waterworks project and this Bond (the “Financial Assistance Agreement”).]

[The Bonds shall be initially issued in a book entry system by The Depository Trust Company (“DTC”). The provisions of this Bond and of the Ordinance are subject in all respect to the provisions of the Letter of Representations between the Issuer and DTC, or any substitute agreement affecting such book entry system under DTC.]

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues, inclusive of System Development Charges (as defined in the Ordinance), remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the Issuer, including the works authorized under the Ordinance to be acquired and constructed and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The payment of this Bond ranks on a parity with the payment of any Outstanding Parity Bonds (as defined in the Ordinance). The Issuer reserves the right to issue additional bonds on a parity with this Bond and the issue of which it is a part, as provided in the Ordinance.

The Issuer irrevocably pledges the entire Net Revenues of said waterworks to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including any Outstanding Parity Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)][operation, repair and maintenance] of said works and for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the Issuer or the proper Officers of the Issuer shall fail or refuse to so fix, maintain, and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for under Indiana law, including the provisions of the Act.

The Issuer further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount to [create and] maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the payment of any Outstanding Parity Bonds.

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

\_ % if redeemed on \_\_\_\_\_ 1, 20\_\_ or thereafter  
on or before \_\_\_\_\_, 20\_\_;  
\_ % if redeemed on \_\_\_\_\_ 1, 20\_\_ or thereafter  
on or before \_\_\_\_\_, 20\_\_;  
0% if redeemed on \_\_\_\_\_ 1, 20\_\_, or thereafter  
prior to maturity;]

plus, in each case accrued interest to the date fixed for redemption.

[Notwithstanding the foregoing, the Bonds shall not be redeemable at the option of the Issuer unless and until consented to by the Indiana Finance Authority.]

[The Bonds maturing on \_\_\_\_\_ 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Date                      Amount

\*Final Maturity]

Each [Five Thousand Dollar (\$5,000)][One Dollar (\$1)] principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. 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 some 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 optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the Issuer, as of the date which is [sixty-five (65)][forty-five (45)] days prior to such redemption date, not less than [sixty (60)][thirty (30)] 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 Issuer. 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.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, the Issuer may deposit in trust with its depository bank, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the Issuer shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the Issuer 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 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 to the registered owner, as the case may be, in exchange therefor. The Issuer, the Registrar and any paying agent for this Bond 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 and interest due hereon.

This Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of [Five Thousand Dollars (\$5,000)][One Dollar (\$1)] or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

It is hereby certified and recited that all acts, conditions, and things required to be done precedent to and in the preparation and complete 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 of Lafayette, Indiana, in \_\_\_\_\_ County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of its \_\_\_\_\_, countersigned by the manual or facsimile signature of its \_\_\_\_\_, and its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its \_\_\_\_\_.

City of Lafayette, Indiana

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

#### REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

\_\_\_\_\_,  
as Registrar

By: \_\_\_\_\_  
Authorized Representative

[MUNICIPAL BOND INSURANCE LEGEND]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney, to transfer the within Bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

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 whatsoever.

[EXHIBIT A]

*End of Bond Form*

Section 10. Preparation and Sale of BANs and Bonds; Official Statement; Investment Letter; Rating; Municipal Bond Insurance. The Officers are hereby authorized and directed to have said BANs and Bonds prepared, and the Officers are hereby authorized and directed to execute said BANs and Bonds in the form and manner herein provided. The Officers are hereby authorized and directed to deliver said BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this Ordinance, provided that at the time of said delivery the Officers shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 99.0% of the par value of said BANs and not less than 99.0% of the par value of said Bonds, as the case may be. The Issuer may receive payment for the Bonds and BANs in installments. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Issuer, payable out of the Net Revenues of the Issuer's waterworks to be set aside into the Sinking Fund as herein provided. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper Officers of the Issuer 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.

The preparation and distribution of an official statement (preliminary and final) on behalf of the Issuer for the Bonds and BANs sold to a purchaser other than the IFA Program is hereby authorized. The Officers are hereby authorized and directed to execute any such preliminary



official statement on behalf of the Issuer in a form consistent with this Ordinance and are further authorized to designate any such preliminary official statement as “nearly final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

Alternatively, in lieu of preparing and distributing an official statement, the Issuer may obtain a sophisticated investment letter from the purchaser of the Bonds or BANs at the time of delivery of the Bonds or BANs which satisfies applicable state and federal securities laws.

The Officers, with the advice of the Issuer’s municipal advisor, is hereby authorized to obtain one or more ratings for the Bonds if such rating or ratings will facilitate the sale of the Bonds.

In the event the municipal advisor to the Issuer certifies to the Issuer that it would be economically advantageous for the Issuer to obtain bond insurance for the Bonds, the Issuer hereby authorizes the purchase of such bond insurance; provided, however, if the Bonds are sold to Authority as part of the IFA Program the prior written consent of the Authority shall be obtained by the Issuer prior to purchasing such bond insurance. In such case, the Officers are hereby authorized to execute and deliver all agreements with the provider of the bond insurance to the extent necessary to comply with the terms of such bond insurance and the commitment to issue such bond insurance. The acquisition of bond insurance is hereby deemed economically advantageous if the difference between the present value of (i) the total debt service on the Bonds if issued without the bond insurance and (ii) the total debt service on the Bonds if issued with the bond insurance, is greater than the cost of the premium for the bond insurance. The cost of obtaining bond insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

Section 11. Bond Sale; Bond Sale Notice. As determined by the Officers, with the advice of the Issuer’s municipal advisor, the Bonds may be sold by either a competitive sale or a negotiated sale.

If the Bonds will be sold at a competitive sale, in such case the Officers shall cause to be published either (i) a notice of such sale in a newspaper published in the county in which the Issuer is located in with general circulation in the Issuer, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in a newspaper described in (i) above and a newspaper published in Indianapolis, Indiana, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in a newspaper published in Indianapolis, Indiana, and a notice or summary notice may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Officers and the attorneys employed by the Issuer shall deem advisable and 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 wire transfer payable within one day after

the sale of the Bonds in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice and that 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 said check and the proceeds thereof shall be the property of the Issuer and shall be considered as its liquidated damages on account of such default; that bidders for said 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 that such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-hundredth (1/100) of one percent (1%). No conditional bid or bid for less than ninety-nine percent (99.0%) of the par value of the Bonds will be considered. The opinion of a bond counsel, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the Issuer.

The Bonds shall be awarded by the Officers to the best bidder who has submitted its bid in accordance with the terms of this Ordinance, IC 5-1-11 and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the Issuer, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting the premium 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 Issuer than the best bid received at the time of the advertised sale will be considered.

As an alternative to a competitive sale, the Officers may negotiate the sale of said Bonds to the Authority through the IFA Program or any other purchaser. The Officers are hereby authorized to (i) submit an application to the Authority through the IFA Program, (ii) execute a Financial Assistance Agreement (including any amendment thereof) with the Authority or a Bond Purchase Agreement with any other purchaser, with terms conforming to this Ordinance, and (iii) sell such Bonds upon such terms as are acceptable to the Officers consistent with the terms of this Ordinance.

In the event the Bonds are sold to the Authority through the IFA Program, the Financial Assistance Agreement for the Bonds and the Project shall be executed by the Issuer. The substantially final form of Financial Assistance Agreement attached hereto as Exhibit B and incorporated herein by reference is hereby approved. The Officers are hereby authorized to approve, execute, and deliver said Financial Assistance Agreement, and to approve such changes in form or substance thereto which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by its execution. In the event the Bonds are sold in series to the Authority, the Financial Assistance Agreement may be amended and restated for any subsequent series of Bonds sold to the Authority through the IFA Program, with such changes in form or substance to the original Financial Assistance Agreement as the Officers may approve, execute, and deliver, consistent with the terms of this Ordinance, as conclusively evidenced by its execution.

Section 12. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sinking Fund. The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs or fund a reserve, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Issuer, in a special account or accounts to be designated as the “Waterworks Construction Account” (the “Construction Account”). All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured, or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing, or investing of public funds, including particularly IC 5-13, IC 5-1.2-1 through 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of a bond counsel shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

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 such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes thereof 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.

If the Bonds are sold to the Authority as part of the IFA Program, to the extent that (a) the total principal amount of such Bonds is not paid by the purchaser or drawn down by the Issuer or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Authority), the Issuer 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 3 subject to and upon the terms set forth in the Financial Assistance Agreement for the Bonds.

The Issuer hereby declares its “official intent”, as such term is used in the Reimbursement Regulations, to reimburse the Issuer’s advances to the Project, such advances from the Issuer’s General Fund or Depreciation Fund (as hereinafter defined), from proceeds of the BANs or the Bonds herein authorized by this Ordinance. The Issuer reasonably expects to make such advances for the costs of the Project.

Section 13. Revenue Fund. There is hereby created the “Revenue Fund” (the “Revenue Fund”). All income and revenues derived from the operation of the waterworks and from the collection of water rates and charges (and any System Development Charges), shall be deposited in the Revenue Fund. The Revenue Fund shall be maintained separate and apart from all other funds and accounts of the Issuer. Out of these revenues, the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the requirements of the Waterworks Sinking Fund shall be met, and the costs of replacements, extensions, additions, and improvements shall be paid. So long as any Bonds are held by the Authority, no moneys derived from the revenues

of the waterworks shall be transferred to the General Fund of the Issuer, except for any payments in lieu of property taxes, or be used for any purpose not connected with the waterworks.

Section 14. Operation and Maintenance Fund. The “Operation and Maintenance Fund” (the “Operation and Maintenance Fund”) is hereby created. By the last day of each calendar month, revenues of the waterworks shall be transferred from the Revenue Fund to the Operation and Maintenance Fund so that the balance maintained in this fund shall be sufficient to pay the expenses of operation, repair, and maintenance of the waterworks for the then next succeeding two (2) calendar months. The moneys credited to this fund shall be used for the payment of the reasonable and proper operation, repair, and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacements, improvements, extensions, or additions. Any moneys in said fund 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 waterworks.

Section 15. Waterworks Sinking Fund. There is hereby created a 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 waterworks, and the payment of any fiscal agency charges in connection with the payment of bonds, which fund is designated as the “Waterworks Sinking Fund” (the “Sinking Fund”). There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the waterworks (including any System Development Charges) to meet the requirements of the Bond and Interest Account and the Reserve Account (each as defined herein) hereby created or to be created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to their final maturity.

If the Bonds are sold to the Authority as part of its IFA Program, the Sinking Fund, containing the Bond and Interest Account and the Reserve Account, and/or the Construction Account, may be held by a financial institution acceptable to the Authority as part of its IFA Program, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the Issuer shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Reserve Account in accordance with this Section 15, 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 Issuer’s outstanding bonds. The Officers are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sinking Fund and/or the Construction Account. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for any outstanding bonds of the Issuer.

(a) Bond and Interest Account. There is hereby created, within the Sinking Fund, the Bond and Interest Account (the “Bond and Interest Account”). After making the credit to the Operation and Maintenance Account, there shall be credited by the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to

(i) at least the sum of one-sixth (1/6) of the principal and one-sixth (1/6) of the interest on all then outstanding bonds payable from the Net Revenues on the then next succeeding principal and interest payment dates, until the amount so credited shall equal the interest payable in the next six (6) months and the principal payable in the next six (6) months. There shall similarly be credited to the Bond and Interest Account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the same become payable. The Issuer shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Reserve Account. There is hereby created, within the Sinking Fund, the Reserve Account (the "Reserve Account"). On the date of delivery of the Bonds, the Issuer may deposit funds on hand, Bond proceeds, unless the Bonds are sold to the Authority as part of its IFA Program, or a combination thereof into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) the maximum annual debt service on the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds, (ii) 125% of average annual debt service on the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds or (iii) 10% of the proceeds of the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds (the "Reserve Requirement"); provided, however, that if the Bonds are sold to the Authority as part of its IFA Program or are insured by an insurance or surety provider that so requires it, the Reserve Requirement shall be as described in (i) above. At the time of sale of the Bonds, the actual Reserve Requirement shall be set forth in a closing certificate executed by the Officers. 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 by the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and a protection against default in the payment of principal of and interest on the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds, any Outstanding Parity Bonds, and any Future Parity Bonds, to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If monies in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds, any Outstanding Parity Bonds, or any Future Parity Bonds, then this depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Waterworks Depreciation Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest.

A debt service reserve surety bond may be purchased by the Issuer to satisfy, in whole or in part, the Reserve Requirement. The Officers are hereby authorized to execute and deliver the necessary agreements with the provider of the debt service reserve surety bond providing for, among other matters, the reimbursement to such provider of amounts drawn under the debt service reserve surety bond. Each of these officials are hereby authorized and directed to complete, execute and attest any agreement pertaining to such a debt service reserve surety bond on behalf of the Issuer so long as its provisions are consistent with this Ordinance. The provider of the debt service reserve surety bond must be rated, at the time the debt service reserve surety bond is acquired, in one of the three highest rating categories by either Standard & Poor's Rating Services or Moody's Investors Service. The cost of obtaining a debt service reserve surety bond shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks. So long as any Bonds are held by the Authority, the prior written consent of the Authority shall be obtained by the Issuer prior to satisfying any portion of the Reserve Requirement with a debt service reserve surety bond.

Section 16. Waterworks Depreciation Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues may be transferred or credited to the Waterworks Depreciation Fund (the "Depreciation Fund"), hereby created, and said fund shall be used for improvements, replacements, additions, and extensions of the waterworks. Moneys in the Depreciation Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal or interest on any outstanding bonds payable from the Sinking Fund or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund. Moneys in the Depreciation Fund may also be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair, and maintenance of the waterworks. If the Bonds are sold to the Authority as part of its IFA Program and so long as any Bonds are outstanding, no monies derived from the revenues of the waterworks shall otherwise be transferred to the General Fund of the Issuer or otherwise be used for any purpose not connected with the waterworks. Notwithstanding anything herein to the contrary, revenues of the waterworks may only be used for purposes related to the waterworks and as authorized under IC 8-1.5, as amended.

Section 17. Maintenance of Accounts; Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Issuer. The Operation and Maintenance Fund and the Depreciation Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the Issuer (including, without limitation, any funds and accounts relative to any other utility of the Issuer beyond the Waterworks System) and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-14 and/or IC 5-1.2-14.5 (as applicable), and, and the acts amendatory thereof and supplemental thereto, 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 Account shall be maintained as a separate bank account from the other funds and accounts of the waterworks and (b) if the Bonds are sold to the Authority, and so long as such Bonds are outstanding and owned by the Authority, the other funds and accounts of the waterworks shall be maintained as a separate bank account from other funds and accounts of the Issuer, including, without limitation, any other funds and accounts for any other utility of the Issuer beyond the waterworks.

Section 18. Maintenance of Books and Records. The Issuer 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 said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the waterworks prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Officers. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports, and data of the Issuer relating to the waterworks. Such inspections may be made by representatives duly authorized by written instrument.

If the Bonds or BANs are sold to the Authority through the IFA Program, the Issuer 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 waterworks in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 19. Rate Covenant. The Issuer covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the waterworks by or through any part of the waterworks system of the Issuer, or that in any way uses or is served by the waterworks, at a level adequate to produce and maintain sufficient revenue 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, if applicable, owned by the Authority as part of its IFA Program, to provide for the proper (i) Operation and Maintenance (as defined in the Financial Assistance Agreement) of the waterworks, if the Bonds are sold to the IFA Program, and (ii) operation, repair and maintenance of the waterworks, if the Bonds are sold to a purchaser other than the IFA Program, to comply with and satisfy all covenants contained in this Ordinance and, if applicable, the Financial Assistance Agreement, and to pay all obligations of the waterworks and of the Issuer with respect to the waterworks. 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, repair and maintenance of the waterworks, or Operation and Maintenance of the waterworks, as the case may be, and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of such works by and service rendered to the

Issuer, and all departments thereof, and shall be paid by the Issuer, or the various departments thereof, as the charges accrue.

Section 20. Defeasance of Bonds. If, when any of the Bonds issued hereunder 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 and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) 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 provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Issuer's waterworks.

Section 21. Additional Bond Provisions. The Issuer reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The Issuer reserves the right to authorize and issue Future Parity Bonds, payable out of the Net Revenues of its waterworks, ranking on a parity with the Bonds and any Outstanding Parity Bonds, for the purpose of financing the cost of future additions, extensions, and improvements to the waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the waterworks shall have been paid to date in accordance with their terms. The Reserve Requirement shall be satisfied for the Future Parity Bonds either at the time of delivery of the Future Parity Bonds or over a five (5) year or shorter period, in a manner which is commensurate with the requirements established in Section 15(b) of this Ordinance.

(b) The Net Revenues of the waterworks in the fiscal year immediately preceding the issuance of any such Future Parity Bonds (provided, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued; or, prior to the issuance of said Future Parity Bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations (provided, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced Net Revenues for said period equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued. For purposes of this



subsection, the records of the waterworks shall be analyzed and all showings prepared by a certified public accountant employed by the Issuer for that purpose. In addition, for purposes of this subsection with respect to any Future Parity Bonds hereafter issued, if the outstanding Bonds are owned by the Authority as part of its IFA 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 Future Parity Bonds without satisfying this subsection (b).

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

(d) If the Bonds are sold to the Authority through the IFA Program, (i) the Issuer obtains the consent of the Authority, (ii) the Issuer 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 Issuer is in compliance with its waterworks permits, except for non-compliance for which purpose the Future Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 22. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the Issuer in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, 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 said 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 of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the Issuer. All estimates for work done or material furnished shall first be checked by the engineers and approved by the Issuer.

(c) The Issuer shall at all times maintain its waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the BANs or Bonds herein authorized are outstanding, the Issuer shall acquire and maintain insurance coverage, including fidelity bonds, to protect the waterworks and its operations. If the Bonds or BANs are sold to the Authority through its IFA Program, such insurance shall be acceptable to the Authority. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used to replace or repair the waterworks unless the

Authority consents to a different use of such proceeds or awards if the Bonds or BANs are held by the Authority through its IFA Program.

(e) So long as any of the BANs or Bonds are outstanding, the Issuer shall not mortgage, pledge or otherwise encumber such works or any part thereof, nor shall it sell, lease, or otherwise dispose of any portion thereof except machinery, equipment or property which may become worn out, obsolete or no longer suitable for use in the waterworks. If the Bonds or BANs are sold to the Authority through the IFA Program, the Issuer shall obtain the consent of the Authority prior to the disposal of any portion of the waterworks as described herein.

(f) If the BANs or Bonds are sold to the Authority through the IFA Program, the Issuer shall not without the prior written consent of the Authority (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the waterworks, other than for normal operating expenditures, or (ii) borrow any money (including without limitation any loan from other utilities operated by the Issuer) in connection with the waterworks.

(g) Except as hereinbefore provided in Section 21 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said waterworks shall be authorized, executed, or issued by the Issuer except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 20 hereof coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this Ordinance shall constitute a contract by and between the Issuer and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds or BANs nor shall the Legislative Body adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 25(a)-(g), this Ordinance may be amended, however, without the consent of BAN or Bond owners, if the Legislative Body determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided, however, that if the Bonds or BANs are sold to the Authority through the IFA Program, the Issuer shall obtain the prior written consent of the Authority.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of said governing 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 for the uses and purposes of said fund as in this Ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act hereinbefore referred to, including the right to have a receiver appointed to administer said waterworks, in the event the

Issuer shall fail or refuse to fix and collect sufficient rates and charges, or shall fail or refuse to operate and maintain said system and to apply the revenues derived from the operation thereof, or if there be a default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the governing Act.

(j) For purpose this Section 22, the term “lease” shall include any lease, contract, or other instrument conferring a right upon the Issuer to use property in exchange for a periodic payments made from the revenues of the waterworks, whether the Issuer 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 23. Investment of Funds. The Officers are hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. The Officers shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created, continued, or referenced herein. In order to comply with the provisions of the ordinance, the Officers are hereby authorized and directed to employ consultants or attorneys from time to time to advise the Issuer as to requirements of federal law to preserve the tax exclusion. The Officers may pay any such fees as operating expenses of the waterworks.

Section 24. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs 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 or BANs, as the case may be (the “Code”) and as an inducement to purchasers of the Bonds and BANs, the Issuer represents, covenants, and agrees that:

(a) The waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the Issuer or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the Issuer or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts 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 use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the Issuer enters into a management contract for the waterworks, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or

superseded for 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 aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

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

(c) No more than 5% of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond or BAN 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 or BAN proceeds.

(d) The Issuer reasonably expects, as of the date hereof, that the Bonds and BANs 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 or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) and private security or payments described in (b) 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 issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The Issuer will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the Issuer act in any other manner which would adversely affect such exclusion. The Issuer covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this Ordinance if the interest on any Bond or BAN 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 or BANs, as the case may be.

(h) The Issuer represents that, if necessary, it will rebate any arbitrage profits to the United States of America in accordance with the Code.

(i) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

Section 25. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 22(h), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and 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 Issuer of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Issuer 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 in any supplemental ordinance; provided, however, that if the Bonds or BANs are sold to the Authority through the IFA Program, the Issuer shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement; or
- (g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) 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 Officers, no owner of any Bond issued pursuant to this Ordinance 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 Issuer or its Officers 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 Issuer and all owners of Bonds issued pursuant to the provisions of this Ordinance 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 Issuer and of the owners of the Bonds authorized by this Ordinance, 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 Issuer and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 26. Issuance of BANs. The Issuer, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution, the Authority, or to any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (the “Bond Anticipation Note Agreement”) to be entered into between the Issuer and the purchaser of the BAN or BANs. If the BANs are sold to the Authority through the IFA Program, the Financial Assistance Agreement shall serve as the Bond Anticipation Note Agreement. The Legislative Body hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the Issuer to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.

The Officers are hereby authorized and directed to execute a Bond Anticipation Note Agreement or Financial Assistance Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Officers may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 27. Continuing Disclosure. If necessary in order for the purchaser of the Bonds or BANs to comply with the Rule, the Officers are hereby authorized to execute and deliver, in the name and on behalf of the Issuer, an agreement by the Issuer to comply with the requirements of a continuing disclosure undertaking by the Issuer pursuant to subsection (b)(5) of the Rule, and any amendments thereto from time to time (the “Continuing Disclosure Agreement”). The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Section 28. Tax Exemption. 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 BANs and Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with if the Issuer receives an opinion of bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. At the time of delivery of the BANs and Bonds, the Officers will execute post-issuance compliance procedures with respect to

the BANs and Bonds relating to continued compliance of the Issuer with respect to the Tax Sections to preserve the Tax Exemption.

Section 29. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, are hereby repealed.

Section 30. Special Covenant. To the extent there are any Outstanding Parity Bonds that constitute a first charge on the Net Revenues, prior to issuing the bonds to be issued pursuant to this Ordinance, at the request of the Authority, the Legislative Body, if necessary, shall adopt an ordinance amending and restating this Ordinance, to satisfy the conditions for the issuance of additional parity bonds, as described in the ordinance that authorized the Outstanding Parity Bonds. To the extent the Issuer is required to issue bonds pursuant to this Ordinance to meet its obligations to redeem and retire any bond anticipation notes issued pursuant to this Ordinance and the Financial Assistance Agreement that are not able to not satisfy the conditions for the issuance of additional parity bonds (as described in the ordinance that authorized the Outstanding Parity Bonds), even after taking all possible steps to meet such conditions, such bonds shall, at the request of the Authority, be issued pursuant this Ordinance as a second charge on the Net Revenues, junior and subordinate to any Outstanding Parity Bonds.

Section 30. Effective Date. This Ordinance shall be in full force and effect from and after its adoption.

ADOPTED AND PASSED BY THE COMMON COUNCIL of the City of Lafayette,  
Indiana this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
LAUREN AHLERSMEYER, President

ATTEST:

\_\_\_\_\_  
CINDY MURRAY, City Clerk

Presented by me to the Mayor of the City of Lafayette, Indiana, on this \_\_\_\_\_ day  
of \_\_\_\_\_, 2023.

\_\_\_\_\_  
CINDY MURRAY, City Clerk

This Ordinance approved and signed by me on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
TONY ROSWARSKI, Mayor

ATTEST:

\_\_\_\_\_  
CINDY MURRAY, City Clerk

Sponsored by: Mayor Tony Roswarski



## **EXHIBIT A**

### *Description of Project*

The Project consists of bidding out the work associated with inspecting the remaining 7,000 unknown SL's and construction administration and inspection services of the SL investigations.

**EXHIBIT B**

*Form of Financial Assistance Agreement*

[See attached]

## **FUNDING AGREEMENT**

**FUNDING AGREEMENT** made as of [CLOSING DATE] by and between the Indiana Finance Authority (the "**Finance Authority**"), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the "**State**") and the City of Lafayette, Indiana, a "Participant" as defined in I.C. 5-1.2-2-54, duly organized and validly existing under State law (the "**Participant**").

### **RECITALS**

1. The attached Appendix A sets forth terms applicable to this Agreement including the SRF Program from which the hereafter referenced Financial Assistance is to be made available to the Participant by the Finance Authority.

2. Such SRF Program is subject to a certain Amended and Restated Indenture of Trust (the "**SRF Indenture**") entered into by the Finance Authority pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (together with other applicable State law, the "**Authorizing Law**"), and the parties desire capitalized terms herein contained and not otherwise defined herein to have the same meanings ascribed to them under the applicable SRF Indenture.

3. The Finance Authority has established under such SRF Indenture a Wastewater Program Fund into which Wastewater Program Fees, or a Drinking Water Program Fund into which Drinking Water Program Fees, are deposited, held and applied as allowed by such applicable SRF Indenture and Authorizing Law (such fund, herein, the "**Fees Fund**")

4. The applicable SRF Indenture and Authorizing Law authorize the Finance Authority to make loans (the "**Financial Assistance**") from the Fees Fund to participants for wastewater or drinking water related projects and purposes as more fully provided in the applicable SRF Indenture and Authorizing Law.

5. The Participant's project (the "**Project**") and Financial Assistance are more fully described on Appendix A to this Agreement.

6. The Finance Authority has reviewed the Project and the Financial Assistance therefor, and approved the Project and Financial Assistance therefor.

7. The Finance Authority desires to provide the Financial Assistance to the Participant for the Project (and for no other purpose), and the Participant desires to receive the Financial Assistance from the Finance Authority for the Project (and for no other purpose).

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements set forth in this Agreement, the Finance Authority and the Participant agree that:

## ARTICLE I

A. The Finance Authority covenants and agrees with the Participant, subject to this Agreement and State law, including the Authorizing Law, to provide the Financial Assistance, which is comprised of a loan (the "**Loan**"), as more fully described on Appendix A to this Agreement, to the Participant for the Project, in accordance with the Authorizing Law and this Agreement. The Loan must be repaid in accordance with its terms.

B. The terms of any Loan shall be those set forth in the form of the bonds or other obligations of the Participant issued or delivered to the Finance Authority in accordance with applicable laws of the State pursuant to this Agreement (the "**Obligating Instrument**"). The form and substance of the Obligating Instrument, the ordinance or resolution, as applicable, authorizing the issuance of the Obligating Instrument (the "**Authorizing Instrument**"), and the other related certifications and opinions, shall be acceptable to the Finance Authority, in its sole discretion.

C. The Financial Assistance will be disbursed as set forth in this paragraph. Loan disbursements made to or for the benefit of the Participant shall be deemed to be a purchase of the Obligating Instrument in such amounts and with such maturities as achieves annual debt service as level as practical, and with no maturity longer than the original maturity schedule. Unless the Finance Authority consents in writing, no Loan disbursements shall be made more than one year after substantial completion of construction of the Project.

D. Notwithstanding any provision herein to the contrary, the Finance Authority may require the Participant to borrow all available funds from loans or other financial assistance, if any, made available to the Participant for the Project from the Finance Authority's amounts held in the wastewater revolving loan fund established or the drinking water revolving loan fund established pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10, before all or some portion of the Financial Assistance hereunder from the Fees Fund is loaned or paid to the Participant.

## ARTICLE II

The Participant covenants and agrees with the Finance Authority that:

A. The Participant will use the Financial Assistance to acquire, construct and equip the Project and for no other purpose without the prior written consent of the Finance Authority. The Participant agrees to undertake and complete the Project in a timely manner and to receive and expend the Loan proceeds in accordance with this Agreement.

B. The sum of the Financial Assistance and other moneys on hand or available lawfully to the Participant are sufficient to complete the Project, and the Participant understands that the Finance Authority is not in any manner obligated to provide additional Financial Assistance for the Project.

C. The Project is expected to be completed not later than eighteen (18) month after the date to this Agreement. In the event (1) physical construction of the Project has not commenced pursuant to a duly bid and awarded construction contract within six (6) months after the date to

this Agreement or (2) the Finance Authority, in its discretion, shall determine that construction of the Project has been abandoned by the Participant, upon notice given to the Participant by the Finance Authority, any further disbursement of Financial Assistance may be terminated.

D. The Participant will use the Financial Assistance, and acquire, construct and equip the Project, in accordance with all applicable laws. The Participant will maintain and operate the Project in accordance with the applicable laws.

E. The Participant will report to the Finance Authority on the Participant's expenditure of the Financial Assistance and the status of the Project on the first day of January following the date of this Agreement, and on the first day of every January thereafter until the Participant expends all the Financial Assistance and completes the Project, whichever is later. At the time the Participant completes the Project, the Participant will provide promptly to the Finance Authority a final report (the "**Final Report**"). All reports to the Finance Authority will be in form and substance satisfactory to the Finance Authority.

F. The Finance Authority and its agents, officers and employees will have ready access at the Participant's offices to the Participant's agents, officers and employees, and its books and records, at all reasonable times from the date of this Agreement to and including the third anniversary of the day the Participant submits to the Finance Authority its Final Report. Upon the Finance Authority's written request therefor, the Participant will promptly provide to the Finance Authority, at no cost to the Finance Authority, certified copies of the Participant's books and records or any portion thereof.

G. The Participant will own and operate and maintain (in good condition) the Project for its useful life (or cause it to be so operated and maintained).

H. The Participant will establish, adjust and maintain rates and charges at levels adequate to maintain sufficient revenues to operate and maintain (in good condition) the Project and to repay all the Participant's indebtedness, including the Loan as evidenced by the Obligor Instrument and the Authorizing Instrument.

I. Except as permitted by the Authorizing Instrument, the Participant will not incur additional indebtedness on parity with the Obligor Instrument in connection with or related to the Project, including any utility or other works to which the Project is a part, without the prior written consent of the Finance Authority.

J. To the extent permitted by law, the Participant agrees to indemnify, defend and hold harmless the Finance Authority and its agents, officers and employees from any and all claims and actions of any nature arising out of this Agreement (or any action taken hereunder), the Financial Assistance or the Project (or the planning, design, acquisition, construction or equipping or operating of the Project), from all judgments or recoveries resulting therefrom and for all costs in defending or appealing such claims or actions or judgments or recoveries, including court costs and attorneys' fees.

K. The Participant shall provide to the Finance Authority audited financial statements of the Participant inclusive of the activities of the Participant's utility system to be improved by the Financial Assistance, commencing with financial statements for a calendar year period that ends not more than two (2) years after the date of this Agreement (and for each calendar year period that ends every two (2) years thereafter until the Financial Assistance has been repaid), which audit (i) shall have been performed by the Indiana State Board of Accounts or by an independent public accountant and (ii) shall be submitted to the Finance Authority no later than nine (9) months following the end of the calendar year period to which such audit pertains.

### **ARTICLE III**

A. The Finance Authority's obligation to make a disbursement of the Financial Assistance to the Participant under this Agreement may be terminated at the option of the Finance Authority, without giving any prior notice to the Participant, in the event: (1) the Participant fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith; or (2) any representation or warranty made by the Participant as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default. If an event of default occurs, the Finance Authority without giving any prior notice, may declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

B. Failure on the part of the Finance Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Finance Authority by this Agreement or by law shall not make the Finance Authority liable in damages to the Participant or relieve the Participant from paying any Obligating Instrument or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Participant may have and pursue any and all other remedies provided by law for compelling performance by the Finance Authority of such obligation assumed by or imposed upon the Finance Authority. Neither the Finance Authority nor any agent, attorney, member or employee of the Finance Authority shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

C. This Agreement does not create a debt or a liability of the Finance Authority under the constitution of the Finance Authority or a pledge of the faith or credit of the Finance Authority and does not directly, indirectly or contingently obligate the Finance Authority to levy any form of taxation, or to make any appropriation, for the payment or fulfillment of any terms of this Agreement. The Financial Assistance shall be funded solely from uncommitted, appropriated and available funds held in the Fees Fund or from other sources the Finance Authority, in its sole discretion, may designate. It shall be a condition precedent to the disbursement of the Financial Assistance or any portion thereof, that there shall be available to the Finance Authority uncommitted funds in an amount sufficient to satisfy the Finance Authority's obligations hereunder in the Fees Fund.

D. When the Finance Authority makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Agreement, this Agreement shall be canceled. Any determination by the Finance Authority that funds are not appropriated or otherwise available shall be final and conclusive.

E. Pursuant to Indiana Code 22-9-1-10, the Participant and its contractors, subgrantees or contractors and subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, color, religion, sex, handicap, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement.

F. The Participant hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this Agreement, a drug-free workplace and that it will give written notice to the Finance Authority and the Indiana Department of Administration within ten (10) days after receiving actual notice that an employee of the Participant has been convicted of a criminal drug violation occurring in the Participant's workplace. Failure of the Participant to, in good faith comply with this Paragraph, shall constitute a material breach of this Agreement and shall entitle the Finance Authority to impose sanctions against the Participant including suspension of payments and termination of this Agreement.

#### **ARTICLE IV**

A. All appendices to this Agreement are incorporated into this Agreement and made a part of this Agreement. Capitalized terms herein contained and not otherwise defined herein to have the same meanings ascribed to them under the applicable SRF Indenture.

B. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Finance Authority and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

C. The Participant will give any notice or other writing to the Finance Authority in writing by certified United States mail, postage prepaid or hand delivery to the Indiana Finance Authority, SRF Programs, 100 North Senate, Room 1275, Indianapolis, Indiana 46204, Attention: Director of Environmental Programs, or such other persons or address as shall be given properly to the Finance Authority. The Finance Authority may give any notice or other writing to the Participant by first-class United States mail, postage prepaid or hand delivery to the person and address set forth in Appendix A or such other person or address as shall be given properly to the Participant.

D. This Agreement will be construed in accordance with State law. Any claim or action must be brought in the courts of the State.

E. No amendment of this Agreement will be valid unless duly authorized, executed and delivered by the Participant and the Finance Authority.

F. Neither this Agreement, nor the Financial Assistance may be assigned by the Participant without the prior written consent of the Finance Authority and any attempt at such an assignment without such consent shall be void.

G. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto.

H. Neither the failure nor the delay of the Finance Authority to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof or shall any single or partial exercise of any right, power or privilege preclude any further exercise of any other right, power or privilege.

I. The Participant agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Obligating Instrument (including attorneys' fees incurred by the Finance Authority which are typically \$2,000 to \$4,000, which may be paid from the Loan) and (b) any and all costs and expenses, including attorneys' fees, incurred by the Finance Authority in connection with the enforcement of this Agreement, the Authorizing Instrument and the Obligating Instrument in the event of the breach by the Participant of or a default under this Agreement, the Authorizing Instrument or the Obligating Instrument.

J. The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Participant, that he/she has not, nor has any other officer or representative of the Participant, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Participant related to customary services rendered in connection with the Financial Assistance.

[Remainder of Page Left Blank]



**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

**City of Lafayette, Indiana**  
"Participant"

By: \_\_\_\_\_

Attest: \_\_\_\_\_

**INDIANA FINANCE AUTHORITY**

By: \_\_\_\_\_  
James P. McGoff  
Director of Environmental Programs

APPENDIX A: Project, Financial Assistance

*(Signature Page)*

## **APPENDIX A - Project, Financial Assistance**

1. **The Project.** The proceeds of the Financial Assistance described below will be applied to bidding out the work associated with inspecting the remaining 7,000 unknown SL's and construction administration and inspection services of the SL investigations.
  
2. **Financial Assistance**
  - A. **Loan:** \$[\_\_\_\_\_], to be evidenced by the Participant's Taxable Waterworks Bond Anticipation Note of 2023 (the "BAN"), which will bear interest at the per annum rate of zero percent (0%). The BAN will be in the aggregate principal amount of the Loan. Subject to Paragraph 3.A. herein, the BAN will mature on December 31, 2023.
  
3. **Additional Terms:**
  - A. The principal maturity of the BAN is subject to forgiveness and discharge and shall be deemed forgiven and discharged on December 31, 2023, provided however that there is not then existing any default under this Agreement and the Participant has otherwise complied with the terms and conditions of this Agreement. The Participant acknowledges that a portion of the Financial Assistance is subject to forgiveness and discharge which Financial Assistance was made available to the Participant in reliance upon information submitted to the Finance Authority by the Participant that demonstrated individual ratepayers (in the residential user rate class of the Participant that does not meet the SRF Program's affordability criteria) would have otherwise experienced a significant hardship from the increase in rates necessary to finance the Project. The Participant hereby represents the additional subsidization afforded by such forgiveness and discharge has been (and it agrees to cause such to continue to be) directed to the benefit of such individual ratepayers through the Participant's user rate system or other appropriate methods.
  
  - B. The Participant and the Finance Authority agree that any event of default occurring under any prior financial assistance agreement, financial aid agreement, funding agreement and/or grant agreement (the "Prior Agreements") entered into between the Participant and the Finance Authority (if any) shall constitute an event of default under this Agreement. Similarly, the Participant and the Finance Authority agree that any event of default under this Agreement, or under any subsequent financial assistance agreement entered into between the Participant and the Finance Authority, shall constitute an event of default under the Prior Agreements and the subsequent financial assistance agreement, if any, as the case may be.

[End of Appendix A]