

ORDINANCE NO. 2-2020

AN ORDINANCE AUTHORIZING THE ISSUANCE OF REVENUE BONDS, INCLUDING BOND ANTICIPATION NOTES, TO FINANCE CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE TOWN'S SEWAGE WORKS AND ALL MATTERS RELATED THERETO

WHEREAS, the Town of Mooresville, Indiana ("Town") has heretofore established, constructed and financed its municipal sewage works, and now owns and operates said sewage works pursuant to IC 36-9-23 and other applicable laws; and

WHEREAS, the Town Council of the Town (the "Town Council") finds that certain improvements and extensions to said works are necessary; that plans, specifications and estimates have been or will be prepared and filed by the engineers employed by the Town for the construction of said improvements and extensions (as more fully set forth in Exhibit A hereto and made a part hereof) ("Project"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Clerk-Treasurer of the Town (the "Fiscal Officer") as required by law; and

WHEREAS, the Town has obtained engineer's estimates of the costs for the construction of the Project and will advertise for and received bids therefor, which bids will be subject to the Town's determination to construct the Project and subject to the Town obtaining funds to pay for the Project; that on the basis of said engineer's estimates, the cost of the Project, as defined in IC 36-9-1-8, including estimated incidental expenses, is in the estimated amount of Six Million Nine Hundred Seventy Thousand Dollars (\$6,970,000); and

WHEREAS, this Town Council hereby finds that to provide funds necessary to pay for the costs of the Project for which other funding is not available, it will be necessary for the Town to issue sewage revenue bonds, in one or more series, in an amount not to exceed Six Million Nine

Hundred Seventy Thousand Dollars (\$6,970,000) and, if necessary, bond anticipation notes (the "BANs") in an amount not to exceed Six Million Nine Hundred Seventy Thousand Dollars (\$6,970,000); and

WHEREAS, the Town has heretofore issued certain "Sewage Works Revenue Bonds, Series 2010," dated August 24, 2010 (the "2010 SRF Bonds"), which 2010 SRF Bonds constitute a first charge upon the Net Revenues of the sewage works; and

WHEREAS, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the sewage works on a parity with the pledge thereof to the 2010 SRF Bonds, and are to be issued subject to the provisions of the laws of the State of Indiana, including, without limitation, IC 36-9-23 and IC 8-1.5-2 as in effect on the date of delivery of the bonds authorized herein (collectively, the "Act") and the terms and restrictions of this ordinance; and

WHEREAS, the Town desires to authorize the issuance of BANs hereunder, in one or more series, if necessary, payable solely from the proceeds of sewage works revenue bonds issued hereunder and to authorize the refunding of the BANs, if issued; and

WHEREAS, in connection with the issuance of the 2010 SRF Bonds, the Town has entered into a Financial Assistance Agreement ("Financial Assistance Agreement") with the Indiana Finance Authority ("Authority") as part of its wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (the "SRF Program"); and

WHEREAS, the Town Council 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 TOWN COUNCIL OF THE TOWN OF MOORESVILLE, INDIANA, THAT:

Section 1. Authorization of Project. The Town shall proceed with the construction of the Project in accordance with the plans and specifications heretofore prepared and filed by consulting engineers employed by the Town, which plans and specifications are now on file or will be subsequently placed on file in the office of the Fiscal Officer, and are hereby adopted and approved, and by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein. Two copies of any additional final plans and specifications and the cost estimates will be placed on file in the office of the Fiscal Officer and be open for public inspection pursuant to IC 36-1-5-4. The estimated cost of construction of the Project, including financing costs, is expected to not exceed \$6,970,000, plus investment earnings on the BAN and bond proceeds. The terms "sewage works," "works," and other like terms where used in this ordinance shall be construed to mean the Sewage Works, as defined in the Financial Assistance Agreement, and includes the existing structures and property of the sewage works and all enlargements, extensions, additions, and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. The Project shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of BANs and Bonds. (a) The Town shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply to a portion of the costs of the Project and the payment of costs of issuance. The Town may issue its BANs, in one or more series, in a maximum aggregate principal amount not to exceed Six Million Nine Hundred Seventy Thousand Dollars (\$6,970,000) to be designated "[Taxable] Sewage Works Bond Anticipation Notes of \_\_\_\_\_" (to be completed with the year in which issued and appropriate series

designation, if any). Each series of BANs shall be sold at not less than 99% of their par value, shall be numbered consecutively from 1 upward, shall be in multiples of One Thousand Dollars (\$1,000) as designated in the hereinafter defined Purchase Agreement for the BANs, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 4% per annum (the exact rate or rates to be determined through negotiation with the purchaser of the BANs) payable upon maturity or at redemption. Each series of 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 4% 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 years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. The Town may receive payment for the BANs in installments. 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.

The BANs shall be issued pursuant to IC 5-1-14-5. The Town 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, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor; provided, however, that such other funds are not pledged to the payment of the BANs. The revenue bonds will be payable solely out of and constitute a first charge against the Net Revenues (as hereinafter defined) of the sewage works of the Town, on a parity with the pledge thereof to the 2010 SRF Bonds. For purposes of this ordinance, "Net Revenues" is defined as the gross revenues of the System (herein defined as the Town's Sewage Works system, including all real estate, equipment

and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired) remaining after the payment of the reasonable expenses of operation, repair and maintenance of the System; provided that transfers for payment in lieu of property taxes (“PILOTs”) shall not be considered to be an expense of operation, repair or maintenance), including the works herein acquired and constructed and all additions and improvements thereto and replacements thereof subsequently constructed or acquired.

(b) The Town shall issue its sewage works revenue bonds, in one or more series, in the maximum aggregate principal amount not to exceed Six Million Nine Hundred Seventy Thousand Dollars (\$6,970,000), to be designated “Sewage Works Revenue Bonds, Series \_\_\_\_\_” (to be completed with the year in which issued and appropriate series designation, if any) (the “Bonds”), for the purpose of procuring funds to apply to a portion of the costs of the Project, funding a debt service reserve, refunding the BANs, if issued, and issuance costs. Each series of Bonds shall be sold at a price of not less than 99% of par value thereof. The Bonds shall be issued in fully registered form in denominations of \$5,000 or integral multiples thereof (or such different denominations as may be determined by the Fiscal Officer at the time of the sale of the Bonds), numbered consecutively from 1 up, and originally dated as of date of delivery. The Bonds shall bear interest at a rate or rates not exceeding 4% per annum (the exact rate or rates to be determined by bidding). Interest is payable semiannually on January 15 and July 15 in each year, commencing on a January 15 or July 15 as determined by the Fiscal Officer, with the advice of the Town’s municipal advisor. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and Bonds of a series shall mature semiannually on January 15 and July 15 or be subject to mandatory sinking fund redemption on

January 15 and July 15 over a period ending no later than twenty (20) years after the date of issuance of such series of Bonds.

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

Each series of Bonds shall rank on a parity with the other for all purposes, including the pledge of Net Revenues under this ordinance.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities on January 15 and July 15 in the years as determined by the successful bidder, but in no event later than the last serial maturity date of the Bonds as determined in accordance with the above 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 hereinafter determined in accordance with the above paragraph.

Section 3. Registrar and Paying Agent; Book-Entry. (a) The Fiscal Officer is hereby authorized to contract with a qualified financial institution to serve as Registrar and Paying Agent for the Bonds ("Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds. The Fiscal Officer is hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The Fiscal Officer is further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Sewage Works Sinking Fund 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 any

purchaser does not object to such designation, the Fiscal Officer may serve as Registrar and Paying Agent and is hereby charged with the duties of a Registrar and Paying Agent.

The principal of the Bonds shall be payable at the principal corporate trust office of the Paying Agent. 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 the names appear as of the first (1<sup>st</sup>) day of the month of the interest payment date (“Record Date”) and 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. 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 Bonds and BANs 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 Town kept for that purpose at the principal corporate trust office of the Registrar by the registered owner 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 an authorized 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 Town except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Town, 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.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the Town and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the Town. Any such notice to the Town may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Town, in which event the Town may appoint a successor registrar and paying agent. The Town shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the Town, the Fiscal Officer is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Fiscal Officer is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar



and paying agent and such fees may be paid from the Sewage Works Sinking Fund created in Section 12 hereof. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the Record Date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Bonds are authenticated on or before the Record Date preceding the first interest payment date, in which case they shall bear interest from the original date until the principal shall be fully paid.

(b) The Town has determined that it may be beneficial to the Town to have the Bonds held by a central depository system pursuant to an agreement between the Town and The Depository Trust Company, New York, New York ("Depository Trust Company") and have transfers of the Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Bonds may be initially issued in the form of a separate single authenticated fully registered bond for the aggregate principal amount of each separate maturity of the Bonds. In such case, upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the Town and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii)

the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

If the Town elects to utilize the central depository system, no person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Town to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The Town and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Town's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Town of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so

long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Town to the Depository Trust Company.

Upon receipt by the Town of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Town kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this ordinance.

If the Town determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the Town may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the Town and the Registrar to do so, the Registrar and the Town will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company

account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the Town indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to bondholders by the Town or the Registrar with respect to any consent or other action to be taken by bondholders, the Town or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as the Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the Town and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this ordinance and the Town and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all

Beneficial Owners of the bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

The Town is authorized to issue its BANs in book entry form and, in that case, all of the provisions set forth in this subsection shall apply.

Section 4. Redemption of BANs and Bonds. (a) On and after the date specified in the Purchase Agreement, the BANs are prepayable by the Town, in whole or in part, on any date, upon 7 days' notice to the owner of the BANs, with no premium. The exact redemption features of the BANs shall be determined by the Fiscal Officer with the advice of the Town's municipal advisor and shall be set out in the Purchase Agreement. The Bonds may be redeemable at the option of the Town as determined by the Fiscal Officer with the advice of the Town's municipal advisor, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Town and by lot within a maturity, at face value, together with a premium no greater than 1%, plus in each case accrued interest to the date fixed for redemption. The exact redemption features of the Bonds shall be determined by the Fiscal Officer with the advice of the Town's municipal advisor and shall be set out in the notice of sale described in Section 8 herein.

(b) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, 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 as stated above.

Each authorized denomination 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 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.

(c) In either case, notice of such redemption shall be given at least thirty (30) days prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Bond. Such notice shall be mailed to the address of the registered owners as shown on the registration records of the Town as of the date which is forty-five (45) days 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 shall be determined by the Town. 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 principal office of the Paying Agent to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the Bonds so called for redemption shall be surrendered for cancellation.

Section 5. Execution of Bonds and BANs. Each of the BANs and Bonds shall be signed in the name of the Town by the manual or facsimile signature of the President of the Town Council (the "Town Council President") and attested by the manual or facsimile signature of its Fiscal Officer, and the seal of the Town shall be affixed, imprinted or impressed to or on each of the Bonds and BANs manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the Bonds and BANs. The Bonds must be authenticated by an authorized officer of the Registrar.

Section 6. 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:

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Town of Mooresville, Indiana, or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MORGAN

TOWN OF MOORESVILLE  
SEWAGE WORKS REVENUE BONDS, SERIES [\_\_\_\_\_]

			Authentication	
[ <u>Maturity Date</u> ]	[ <u>Interest Rate</u> ]	[ <u>Original Date</u> ]	[ <u>Date</u> ]	[ <u>CUSIP</u> ]

REGISTERED OWNER:

PRINCIPAL SUM:

The Town of Mooresville ("Town"), in Morgan 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 on the Maturity Date set forth above (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 interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the first day of the month of an interest payment date and on or before such interest payment in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before \_\_\_\_\_ 1, 20\_\_\_\_, in which case it shall bear interest from the Original Date, until principal is paid, which interest is payable semiannually on the January 15 and July 15 of each year, commencing on \_\_\_\_\_ 15, 20\_\_\_\_. 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 \_\_\_\_\_ ("Registrar" or "Paying Agent"), in the \_\_\_\_\_ of \_\_\_\_\_, Indiana [Syracuse, New York]. All payments of interest on this bond shall be paid by check mailed one business day prior to the interest payment date to the registered owner hereof, as of the first day of the month of the applicable interest payment date, at the address as it appears on the registration books kept by 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.

THE TOWN SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS A PART SHALL IN ANY RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE TOWN WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

This bond is one of an authorized issue of bonds of the Town, of like date, tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), numbered from 1 up, issued for the purpose of providing funds to be applied to the costs of additions and improvements to the Town's sewage works, [to refund interim notes issued in anticipation of the bonds] and to pay incidental expenses. This bond is issued pursuant to an Ordinance adopted by the Town Council of the Town on the \_\_\_\_\_ day of \_\_\_\_\_, 2019, entitled "AN ORDINANCE AUTHORIZING THE ISSUANCE OF REVENUE BONDS, INCLUDING BOND ANTICIPATION NOTES, TO FINANCE CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE TOWN'S SEWAGE



WORKS AND ALL MATTERS RELATED THERETO” (“Ordinance”), and in strict compliance with the provisions of IC 36-9-23, as in effect on the issue date of the bonds (the “Act”).

Pursuant to the provisions of the Act and the 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 Sewage Works Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues of the sewage works after deduction only for payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the Town. The payment of this bond ranks on a parity with the payment of the 2010 SRF Bonds (as defined in the Ordinance).

The Town irrevocably pledges the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the 2010 SRF 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, 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 Town or the proper officers of the Town 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 in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

[The Town has designated the bonds as qualified tax-exempt obligations to qualify for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.]

The Town further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of said works to pay (a) the principal and interest payments on all bonds payable from the revenues of the sewage works, as such principal and interest shall fall due, and (b) the necessary fiscal agency charges for paying all bonds and interest as required by the Ordinance and (c) 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 2010 SRF Bonds.

[Insert optional redemption terms]

[The bonds maturing on \_\_\_\_\_ 15, 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 \$5,000 denomination 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 such redemption shall be mailed to the address of the registered owner as shown on the registration records of the Town, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption unless the notice is waived by the registered owner of this bond. 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 Town. 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 Town 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 Town shall have no further obligation or liability in respect thereto.

This bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the [principal corporate trust] 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 Town, 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.

[The bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Letter of Representations between the Town and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.]

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 \$5,000 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 Town of Mooresville, in Morgan County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Town Council President, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF MOORESVILLE, INDIANA

\_\_\_\_\_  
Town Council President

(SEAL)

Attest:

\_\_\_\_\_  
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the Ordinance.

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

\_\_\_\_\_  
Authorized Representative

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.

Section 7. Preparation and Sale of BANs and Bonds; Official Statement; Continuing

Disclosure. (a) The Fiscal Officer is hereby authorized and directed to have the BANs and Bonds prepared, and the Town Council President and the Fiscal Officer are hereby authorized and directed to execute the BANs and Bonds in the form and manner herein provided. The Fiscal Officer is hereby authorized and directed to deliver the 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 Fiscal Officer shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall be not less than 99% of the face value of the BANs and not less than 99% of the face value of the Bonds. The Bonds herein authorized, when fully or as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues of the Town's sewage works 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 to the cost of the Project hereinbefore referred to, and/or to the refunding of the BANs. The proper officers of the Town 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.

(b) Distribution of an Official Statement (preliminary and final) prepared by Baker Tilly Municipal Advisors, LLC, on behalf of the Town, is hereby approved and the Town Council President or the Fiscal Officer are authorized and directed to execute the Official Statement on behalf of the Town in a form consistent with this ordinance. The Town Council President or the Fiscal Officer are hereby authorized to designate the preliminary Official Statement as “nearly final” for purposes of Rule 15c2-22 promulgated by the Securities and Exchange Commission (“Rule”).

(c) If necessary to comply with the Rule, the Town shall execute and deliver a form of Continuing Disclosure Undertaking Agreement (“Disclosure Agreement”). The Town Council President or the Fiscal Officer are hereby authorized and directed to complete and execute the Disclosure Agreement on behalf of the Town, if necessary to comply with the Rule. Notwithstanding any other provisions of this ordinance, failure of the Town to comply with the Disclosure Agreement shall not be considered an event of default under the Bonds or this ordinance.

Section 8. Bond Sale Notice. Prior to the sale of the Bonds, the Fiscal Officer shall cause to be published either (i) a notice of such sale in the local newspaper, 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 the local newspaper and the Court & Commercial Record, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in the Court & Commercial Record, 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 Fiscal Officer and the attorneys employed by the Town shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that electronic bidding will be permitted and that each bid shall be accompanied by or delivered to the Town by a certain time specified in the notice a certified or cashier's check to guarantee performance on the part of the bidder. Unless waived by the Town, the purchaser is required to submit to the Town a certified or cashier's check (or wire transfer such amount as instructed by the Town) not later than 3:30 p.m. (local time) on the next business day following the award. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the Town and shall be considered as its liquidated damages on account of such default. Said notice may also provide that bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) or one-hundredth ( $1/100$ ) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid for less than 99% of the par amount of the Bonds will be considered. The opinion of Barnes & Thornburg LLP, bond counsel of Indianapolis, Indiana, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the Town.

The Bonds shall be awarded by the Fiscal Officer to the best bidder who has submitted its bid in accordance with the terms of this ordinance, IC 5-1-11 and the notice. The best bidder will be the one who offers the lowest net interest cost to the Town, 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 unacceptable 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 Town than the best bid received at the time of the advertised sale will be considered.

Section 9. Use of Proceeds. The proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Town, in a special account or accounts to be designated as "Town of Mooresville, Sewage Works Project Account" ("Project Account"). All funds deposited to the credit of the Project 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, as amended and supplemented. The funds in the Project 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 services of Barnes & Thornburg LLP and Baker Tilly Municipal Advisors, LLC 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 of the Sinking Fund or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

Section 10. Pledge of Net Revenues. The interest on and the principal of the Bonds issued pursuant to the provisions of this ordinance, the 2010 SRF Bonds, and any bonds hereafter issued on a parity therewith, shall constitute a first charge on all the Net Revenues, and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such Bonds, to the extent necessary for that purpose.

Section 11. Sewage Works Operation and Maintenance Fund. There is hereby continued a fund known as the Operation and Maintenance Fund (the "Operation and Maintenance Fund"). There shall be credited on the last day of each calendar month a sufficient amount of the revenues of the sewage works so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two (2) calendar months. The monies credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis. Any monies in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding Bonds of the sewage works.

Section 12. Sewage Works Sinking Fund. (a) A special fund designated Sewage Works Sinking Fund (the "Sewage Works Sinking Fund") is hereby continued, designated and constituted the sinking fund, as required by the Act, for the payment of the principal of and premium, if any, and interest on the Bonds and any bonds hereafter issued on a parity therewith, or any other bonds subordinate thereto, and for the payment of any fiscal agency charges in connection with the payment of bonds. There shall be set aside and paid into the Sewage Works Sinking Fund monthly, as available, a sufficient amount of the Net Revenues, as defined in this ordinance (and after



accounting for the Tax Increment, if any, pledged solely to the payment of the 2010 SRF Bonds), for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the Sewage Works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the principal of and interest on all bonds and (c) the principal of all bonds which by their terms are payable from the revenues of the Sewage Works, as such principal shall fall due. The Town hereby confirms that it will apply the Tax Increment to payment of the 2010 SRF Bonds prior to applying the Net Revenues for such purpose.

(b) Bond and Interest Account. There is hereby continued within the Sinking Fund a Sewage Works Bond and Interest Account (the "Bond and Interest Account"). There shall be credited to the Bond and Interest Account an amount of the Net Revenues (after accounting for the Tax Increment, if any, pledged solely to the payment of the 2010 SRF Bonds) equal to at least (i) one-sixth (1/6) of the interest on all the then outstanding Bonds payable from the Net Revenues on the next succeeding interest payment date and (ii) one-sixth (1/6) of the principal on all the outstanding Bonds payable on the next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding interest and principal payment date shall have been so credited. There should similarly be credited to the account any amount necessary to pay the bank fiscal agency charges on the outstanding Bonds as the same became payable. The Town shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or bank fiscal agent sufficient monies to pay the principal and interest on the due date thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. The Reserve Account within the Sinking Fund is hereby continued (the "Reserve Account"). Beginning with the first month after the respective series of

Bonds are delivered, the Town shall deposit on the last day of each calendar month an amount of Net Revenues into the Reserve Account until the balance therein equals but does not exceed the least of (i) the maximum annual debt service on the Bonds, issued hereunder, the 2010 SRF Bonds, and any parity bonds issued in the future by the Town which are payable from the Net Revenues of the Sewage Works (the "Parity Bonds"), (ii) 125% of average annual debt service on the Bonds, the 2010 SRF Bonds, and the Parity Bonds or (iii) 10% of the proceeds of the Bonds, the 2010 SRF Bonds, and the Parity Bonds (the "Reserve Requirement"); provided that so long as the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF Program, the Reserve Requirement shall equal the maximum annual debt service on the Bonds, the 2010 SRF Bonds and any Parity Bonds. The monthly deposits of Net Revenues 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 balance in the Reserve Account, allocable to the Bonds, shall never exceed the Reserve Requirement.

The Reserve Account may be satisfied with cash, a debt service reserve surety bond or a combination thereof. The surety bond must be issued by an insurance company rated at the time of issuance in one of the two highest rating categories by Standard & Poor's Corporation or Moody's Investors Service. If such surety bond is purchased, the Town Council President and the Fiscal Officer are hereby authorized to execute and deliver all agreements with the provider of the surety bond to the extent necessary to comply with the terms of such surety bond and the commitment to issue such surety. Such agreement shall be deemed a part of this ordinance for all purposes and is hereby incorporated herein by reference.

The Reserve Account shall constitute a margin for safety and a protection against default in the payment of principal of and interest on outstanding Bonds, the 2010 SRF Bonds and any

Parity Bonds, and the monies in the Reserve Account shall be used to pay current principal and interest on outstanding Bonds, the 2010 SRF Bonds and any Parity Bonds, to the extent that monies in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly 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 outstanding Bonds, the 2010 SRF Bonds, or the 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 monies in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Sewage Works Improvement Fund.

Section 13. Sewage Works Improvement Fund. In the event all required monthly payments into the Sewage Works Sinking Fund have been met and there has been accumulated in the Sewage Works Sinking Fund, over and above such payments, the Reserve Requirement, and there have been accumulated and reserved funds in an amount sufficient for operation, repair and maintenance of the Sewage Works for the then next-succeeding twelve (12) calendar months, and for depreciation, then any available excess revenues of the Sewage Works may be placed into an improvement fund for the Sewage Works (the "Sewage Works Improvement Fund") hereby continued. Amounts so deposited may be used to pay the cost of improvements, betterments, extensions, enlargements and additions to the Sewage Works. No revenues of the Sewage Works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the required monthly payments into or accumulated in the Sewage Works Sinking Fund, or with the requirements as to paying the expenses of or reserving funds for the operation, maintenance and repair of the Sewage Works and for depreciation. All or any portion of the funds accumulated

and reserved for improvements shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from such Sinking Fund or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Section 14. Maintenance of Funds. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Town. The Operation and Maintenance Fund and the Improvement 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 Town 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, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance.

Section 15. Financial Records and Accounts. The Town shall keep proper record books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the sewage works and all disbursements made therefrom and all transactions relating to the sewage works. Copies of all such statements and reports shall be kept on file in the office of the Fiscal Officer.

Section 16. Rate Covenant. The Town 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 works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewage system of the Town, or that

in any way uses or is served by such works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Town), to provide for the proper Operation and Maintenance (as defined in the Financial Assistance Agreement) of the sewage works, to comply with and satisfy all covenants contained in this ordinance and the Financial Assistance Agreement and to pay all obligations of the sewage works and of the Town with respect to the sewage works. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of Operation and Maintenance of the sewage works and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the Town and all departments thereof, and shall be paid by the Town or the various departments thereof as the charges accrue.

Section 17. 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, or obligations the principal and interest on which are unconditionally guaranteed by, 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 Town's sewage works.

Section 18. Additional Bond Provisions. The Town reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The Town reserves the right to authorize and issue additional parity bonds, payable out of the Net Revenues of its sewage works, ranking on a parity with the Bonds, for the purpose of financing the cost of future extensions, betterments or improvements to the sewage works, or to refund obligations, subject to the following conditions:

(a) The principal of and interest on all bonds payable from the revenues of the Sewage Works shall have been paid to date in accordance with their respective terms.

(b) The Reserve Requirement for the outstanding Bonds, and the 2010 SRF Bonds has been funded in accordance with the Ordinance and the Reserve Requirement shall be increased proportionately for any additional bonds ranking on parity with the outstanding Bonds.

(c) The Net Revenues of the Sewage Works in the fiscal year immediately preceding (or the fiscal year prior to the immediately preceding fiscal year if the additional Parity Bonds close within 90 days of the end of the calendar year) the issuance of any bonds ranking on a parity with the Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of all of the then-outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of such Parity Bonds, the sewage rates and charges shall be increased sufficiently so that such increased rates and charges, if applied to the previous fiscal year's operations (or the fiscal year prior to the immediately preceding fiscal year if the additional Parity Bonds close within 90 days of the end of the calendar year), would have produced net revenues for such year equal to not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of all then-outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records

of the Sewage Works shall be analyzed and all showings shall be prepared by an independent certified public accountant retained by the Town for that purpose. In addition, for purposes of this subsection, with respect to any Parity Bonds hereafter issued while the 2010 SRF Bonds remain outstanding, Net Revenues shall include the Tax Increment pledged solely to the payment of the 2010 SRF Bonds.

(d) The principal of such additional Parity Bonds shall be payable semiannually on January 15 and July 15 and the interest thereon shall be payable semiannually on January 15 and July 15, in the years in which such principal and interest are payable.

(e) So long as the 2010 SRF Bonds are outstanding and held by the Authority as part of its SRF Program, the Town: (i) obtains the consent of the Authority; (ii) the Town 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 Town is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which purpose the additional parity bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 19. Further Covenants of the Town, Maintenance, Insurance, Pledge Not To Encumber, Subordinate Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the owners of the BANs and the Bonds, it is hereby specifically provided as follows:

(a) All contracts let by the Town in connection with the construction of the Project shall be let after due advertisement or otherwise 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) The Project shall be constructed under plans and specifications approved by a competent engineer designated by the Town. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Town.

(c) So long as any of the Bonds or BANs are outstanding, the Town shall at all times maintain its sewage works system in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds or BANs are outstanding, the Town shall acquire and maintain insurance coverage, including fidelity bonds, to protect the sewage works and its operations of a kind and in an amount such as is automatically carried by private companies engaged in a similar type of business. So long as the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF 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. All insurance proceeds and condemnation awards shall be used to replace or repair the property destroyed or damaged unless, if the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF Program, the Authority consents to a different use of such proceeds or awards.

(e) So long as any of the BANs and Bonds are outstanding, the Town shall not mortgage, pledge or otherwise encumber the property and plant of its sewage works system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, except to



replace equipment which may become worn out or obsolete, provided, however, the Town shall obtain the prior written consent of the Authority so long as the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF Program.

(f) So long as the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF Program, the Town shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the sewage works, other than for normal operating expenditures, without the prior written consent of the Authority if such undertaking would involve, commit or use the revenues of the sewage works.

(g) Except as hereinbefore provided in Section 18 hereof, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the Town except such as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed, retired or defeased coincidentally with the delivery of such additional bonds or other obligations or, as provided in Section 17 hereof, funds sufficient to effect such redemption are available and set aside for such purpose at the time of issuance of such additional bonds or obligations.

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

(i) The provisions of this ordinance shall constitute a contract by and between the Town and the owners of the Bonds and BANs herein authorized, all the terms of which shall be enforceable by any BAN holder or bondholder by any and all appropriate proceedings in law or in

equity. After the issuance of the Bonds or BANs, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds or BANs, nor shall the Town Council or any other body of the Town adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds, BANs or the interest thereon remain outstanding or unpaid. Except for the changes set forth in Section 22(a)-(g), this ordinance may be amended, however, without the consent of BAN or Bond owners, if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided, however, that so long as the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF Program, the Town shall obtain the prior written consent of the Authority.

(j) 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 the governing Act. The provisions of this ordinance shall also be construed to create a trust in 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 the Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer the sewage works in the event the Town shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Bonds.

Section 20. Investment of Funds. (a) The Fiscal Officer is hereby authorized pursuant to IC 5-1-14-3 and the provisions of this ordinance to invest moneys (subject to applicable requirements of federal law to insure 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.

(b) The Fiscal Officer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts referenced herein. In order to comply with the provisions of the ordinance, the Fiscal Officer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Town as to requirements of federal law to preserve the tax exclusion. The Fiscal Officer may pay any fees as operation expenses of the sewage works.

Section 21. 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 ("Code") and as an inducement to purchasers of the Bonds and BANs, the Town represents, covenants and agrees that:

(a) The sewage works 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 Town 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 Town 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 BANs or the Bonds, as the case may be. If the Town enters into a management contract for the sewage works, the terms of the contract will comply with IRS 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, 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 Town) 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 Town reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraph (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 Town 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 Town act in any other manner which would adversely affect such exclusion. The Town 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 be not 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) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds and BANs, as the case may be.

(i) The Town represents that it will rebate any arbitrage profits to the United States in accordance with the Code.

(j) The Town Council hereby authorizes the Town Council President and the Fiscal Officer to determine whether any series of Bonds and BANs qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense

allocable to newly acquired tax-exempt obligations. Such designation, if made, will be set forth in the arbitrage certificate delivered by the Town in connection with the BANs and the Bonds, as the case may be.

Section 22. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section 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 Town of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town 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 so long as the 2010 SRF Bonds remain outstanding and are held by the Authority as part of its SRF Program, the Town shall obtain the 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 sewage works 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 required balance to be held as a reserve for the Bonds; 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 Fiscal Officer of the Town, 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 Town 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 Town 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 Town 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 Town and the consent of the owners of all the Bonds issued pursuant to this ordinance then outstanding.

Section 23. Issuance of BANs. (a) The Town, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs pursuant to a Bond Anticipation Note Purchase Agreement (“Purchase Agreement”) to be entered into between the Town and the purchaser of the BAN or BANs. The Town Council 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 Town 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.

(b) The Town Council President and the Fiscal Officer are hereby authorized and directed to execute a Purchase Agreement in such form or substance as they shall approve acting upon the advice of counsel. The Town Council President and the Fiscal Officer 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.

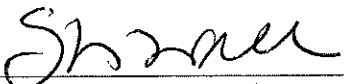
Section 24. Tax Exemption. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (“Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (“Tax Exemption”) need not be complied with if the Town receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

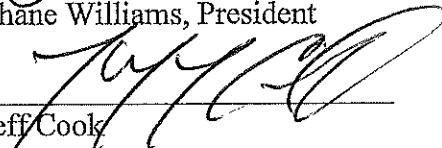
Section 25. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, are hereby repealed.

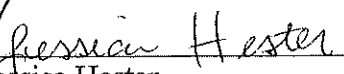


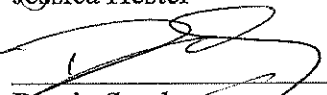
Section 26. Effective Date. This ordinance shall be in full force and effect from and after its passage.

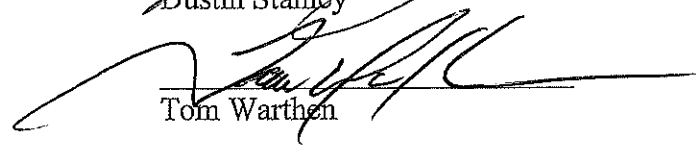
Passed and adopted by the Town Council of the Town of Mooresville, Indiana, on the 17<sup>th</sup> day of March, 2020.

  
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Shane Williams, President

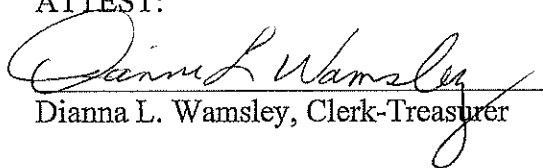
  
\_\_\_\_\_  
Jeff Cook

  
\_\_\_\_\_  
Jessica Hester

  
\_\_\_\_\_  
Dustin Stanley

  
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Tom Warthen

ATTEST:

  
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Dianna L. Wamsley, Clerk-Treasurer

## EXHIBIT A

### Project Description

The Project consists of the acquisition, construction, installation and equipping of various improvements to the Town's sewage works, including without limitation the following and related improvements:

#### **Merriman Road Lift Station and Forcemain:**

Work Includes: Approximately 7,000 LF of 10" PVC installed via excavation, approximately 500 LF of 10" PVC installed via directional drill, and approximately 220 LF of 10" Ductile Iron installed in the Jack and Bore under State Road 67. Approximately 10' interior diameter wet well and 8'x8'x10' deep valve vault. Pumps shall be capable of 775 GPM at 92.5' TDH. Additional items in accordance with plans and specifications including generator and generator pad.

#### **Rainbow Lane Lift Station and Forcemain:**

Work Includes: Approximately 4,600 LF of 12" PVC installed via excavation, approximately 1,000 LF of 12" PVC installed via directional drill, and approximately 450 LF of 14" DR11 HDPE installed in the directional drill crossing of White Lick Creek. Approximately 12' interior diameter wet well and 8'x8'x10' deep valve vault. Pumps shall be capable of 1,400 GPM at 94' TDH. Additional items in accordance with plans and specifications including generator and generator pad.

#### **Hancel Parkway Lift Station Decommission and Gravity Main Installation:**

When initially constructed this station was required to service the Business Park on Hancel Parkway due to shallow gravity mains to the northeast. With the Phase 1A and Phase 1B project, and the ability to gravity to the new Merriman Lift Station, the intent is to decommission the Hancel Parkway Lift Station and install approximately 2,800 LF of 15" PVC gravity sewer and approximately 9 pre-case concrete manholes. This main would allow for the servicing of the Business Park and development to the North and Northwest.

#### **Sun Polymers Lift Station:**

The Sun Polymers Lift Station wet well and valve vault are adequately sized and in good condition to allow for larger pumps to be installed. This would allow for the reuse of these concrete structures. Work would include the retrofitting of the lift station with all new equipment including larger pumps, new interior piping and valving, new electricals and controls, and other miscellaneous items. Additionally, an onsite generator for backup power would be included.

#### **Siphon Replacement and New TOA Lift Station:**

Currently a twin siphon crosses White Lick Creek in this location. Siphons are a large maintenance issue and this particular siphon has been replaced in the last 10 years. Reportedly, there are already issues with the smaller pipe, most likely to debris. The recommendation is to replace the siphon with a lift station and forcemain. Work is anticipated to include the installation of a new wet well, valve vault, and approximately 1,400 LF of 12" PVC forcemain. It is expected that the pumps will need to be capable of approximately 900 GPM. Additionally, an onsite generator for backup power would be included.

**Crosby Road Lift Station Replacement:**

The Crosby Lift Station is aged, undersized, and the equipment is nearing its useful life and is at capacity. Work is to include a new wet well, new pumps, and new piping and valves in the valve vault which will all be sized to allow for future growth. Additionally, an onsite generator for backup power would be included.