

ORDINANCE NO. G-92-07

AN ORDINANCE CONCERNING ESTABLISHMENT OF A SEWAGE WORKS THE CONSTRUCTION OF AND ADDITIONS AND IMPROVEMENTS TO THE SEWAGE WORKS OF THE TOWN OF GEORGETOWN, THE ISSUANCE OF REVENUE BONDS TO PROVIDE THE COST THEREOF, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WORKS, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SAID BONDS, OTHER MATTERS CONNECTED THEREWITH, AND REPEALING ORDINANCES INCONSISTENT THEREWITH

WHEREAS, the Town of Georgetown does hereby establish a sewage works pursuant to I.C. 36-9-23, as amended and authorizes actions, proceedings and operation of the sewage works in accordance with said statutes; and

WHEREAS, the Town of Georgetown intends to construct and finance a sewage works, and will own and operate said sewage works pursuant to I.C. 36-9-23, as amended, and other applicable laws (collectively, the "Act"); and

WHEREAS, the Town Council of the Town of Georgetown, Indiana, (the "Town Council") has found that said sewage works is in need of certain construction, additions and improvements; that plans and specifications for said construction, additions and improvements have been approved by said Town Council; and

WHEREAS, the Town Council finds that the estimated project costs of Seven Million Six Hundred Thirteen Thousand Four Hundred and Sixty Dollars (\$7,613,460) will be substantially funded by grants from the Environmental Protection Agency in the combined amount of Four Million Fifty One Thousand Six Hundred and Twenty Dollars (\$4,051,620) and a grant from the State of Indiana in the amount of One Million Two Hundred Thirty One Thousand Eight Hundred and Forty Dollars (\$1,231,840), leaving a balance of approximately Two Million Three Hundred Thirty Thousand Dollars (\$2,330,000) which is to be financed by the issuance of sewage works revenue bonds in that amount; and

WHEREAS, said works are subject to the Town's obtaining funds to pay for said works, to be financed by the issuance of sewage works revenue bonds, and, in the event of a sale of said bonds to the Indiana Bond Bank, said bonds are to be issued in accordance

with the terms and conditions of a purchase agreement between the Town and said bond bank; and

WHEREAS, the Town Council now finds that it may be necessary to obtain interim financing by the issuance and sale of a bond anticipation note or notes and it desires to authorize the issuance of BANs hereunder if necessary; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF GEORGETOWN, INDIANA as follows:

Sec. 1. That the Town proceed with the construction acquisition, and construction of additions and improvements to its sewage works in accordance with the plans and specifications heretofore prepared and filed by the consulting engineers employed by the Town, which plans and specifications are by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the Office of the Clerk-Treasurer of the Town, and are open for public inspection pursuant to I.C. 36-1-5-4, and that the cost of construction of said additions and improvements shall not exceed the sum of Seven Million Six Hundred Thirteen Thousand Four Hundred and Sixty Dollars (\$7,613,460) without further authorization from this Town Council. The terms "sewage works," "works," and other like terms where used in this ordinance shall be construed to mean and include all structures and property of the Town's sewer utility. Said additions and improvements to the sewage works shall include the construction of a collection system including: approximately 84,000 feet of small diameter and conventional gravity sewers, 533 new septic tanks, rehabilitation of 111 existing tanks, 54 septic tank effluent and pumping stations. The project will also include a rehabilitation portion of two (2) main pumping stations with stand-by power, 44,000 feet of force main and two (2) duplex grinder pump stations and mains required to co

two (2) developed areas to the system (the "Project"). Said additions and improvements shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Act relating to the issuance of revenue bonds.

Sec. 2. The Town shall issue its sewage works revenue bonds in the amount of not to exceed Two Million Three Hundred Thirty Thousand Dollars (\$2,330,000), to be designated "Sewage Works Revenue Bonds of 1992," for the purpose of procuring funds to apply on the cost of said works. In anticipation of the issuance of said bonds, for interim financing of the project costs, the Town may issue one or more bond anticipation notes in an aggregate amount not to exceed Two Million Three Hundred Thirty Thousand Dollars (\$2,330,000) (the "BAN"). The President of the Town Council and Clerk-Treasurer are hereby authorized to negotiate the terms of the BAN in accordance with the provisions of this Ordinance.

Said bonds shall be a first lien on the revenues of the sewage works, shall be sold at a price not less than 97% of the par value thereof, shall be issued in fully registered form in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof or, in the event that the bonds are sold to the Indiana Bond Bank ("Bond Bank"), in such denomination or denominations as such Bond Bank may direct, shall be numbered consecutively from 1 up, originally dated as of the first day of the month in which said bonds are sold or the date of delivery if sold to the Bond Bank, and shall bear interest at a rate or rates not exceeding nine percent (9%) per annum (the exact rate or rates to be determined by bidding or through negotiations with the Bond Bank), payable on the first day of January and July in each year, beginning on January 1, 1993. 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 such bonds shall mature serially on January 1 in the years and substantially in accord with the schedule set forth on Exhibit A with such changes as are approved by the Clerk-Treasurer.

The President of the Town Council and the Clerk-Treasurer are hereby authorized to appoint a qualified 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 BAN or bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer is 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 as fiscal agency charges from the Sewage Works Sinking Fund described herein to pay the principal of and interest on the BAN or bonds.

If, as an alternative to public sale, the BAN or bonds are sold to the Bond Bank as described herein, the Clerk-Treasurer is designated the Registrar and Paying Agent and is charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

All payments of interest on the BAN or bonds shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owners thereof 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. All principal payments and premium payments, if any, on the BAN or bonds shall be made upon surrender thereof at the office of the Paying Agent 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 BAN or bond shall be transferable or exchangeable only upon the books of the Town kept for that purpose by the Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such BAN or bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his attorney

duly authorized in writing, and thereupon a new fully registered BAN, 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 Town. The Town, Registrar and any paying agent for the bonds may treat and consider the person in whose name such BAN or 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 and premium, if any, due thereon.

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 fifteenth day of the month preceding an interest payment 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 fifteenth day of the month immediately preceding the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid. Interest on the BAN shall be payable from the date of issuance to the date the BAN is defeased from proceeds of the bond issue.

Sec. 3. The bonds of this issue maturing on or after January 1, 2003 are redeemable at the option of the Town on January 1, 2002 or any interest payment date thereafter, on thirty (30) days' notice, in whole or in part, in inverse chronological order of maturity and by lot within a maturity, at face value, together with the following premiums:

2% if redeemed on January 1, 2002 or thereafter before January 1, 2003;

1% if redeemed on January 1, 2003 or thereafter before January 1, 2004;

0% if redeemed on January 1, 2005 or thereafter prior to maturity;

plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Town not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the bond or bonds redeemed. The notice shall specify the date and place of redemption and the serial numbers 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 and when said bonds shall be presented for redemption.

Sec. 4. Said BAN or bonds shall be signed in the name of the Town by manual or facsimile signature of the President of the Town Council and attested by the manual or facsimile signature of its Clerk-Treasurer, who shall affix the seal of said Town to each of said BAN or bonds manually or shall have the seal imprinted or impressed thereon by facsimile or other means. The BAN or bonds shall also be authenticated by the manual signature of the Registrar.

Said bonds, and any bonds ranking on a parity therewith, as to principal, premium and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (herein 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, whether now or hereafter constructed or acquired. The Town shall not be obligated to pay said bonds or the interest or premium, if any, thereon except from the net revenues of said works, and said bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Sec. 5. The form and tenor of said bonds, shall be substantially as follows, all blanks to be filled in proper to delivery thereof:

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF FLOYD

TOWN OF GEORGETOWN
SEWAGE WORKS REVENUE BOND OF 1992

Maturity Date Interest Rate Original Date Authentication Date

Registered Owner:

Principal Sum:

The Town of Georgetown, in Floyd County, State of Indiana, for value received, hereby promises to pay to the Registered Owner set forth above, solely out of the special fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon 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 fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case interest shall be paid from such interest payment date, or unless this bond is authenticated on or before December 15, 1992 in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning on January 1, 1993.

The principal on this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____. All payments of interest on this bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. All payments of principal and premium on this bond shall be made upon surrender thereof at the office of the Paying Agent 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 and the bonds of this issue constitute a first lien on the net revenues of the sewage works.

This bond shall not constitute an indebtedness of the Town of Georgetown within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Town shall not be obligated to pay this bond or the interest or premium, if any, thereon except from the special fund provided from the net revenues.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and attested 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 Georgetown, in Floyd County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its President of the Town Council, 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 GEORGETOWN, INDIANA

By _____
Town Council President

ATTEST:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned ordinance duly authenticated by the Registrar.

as Registrar

By _____
Authorized Representative

This bond is one of an authorized issue of bonds of the Town of Georgetown, of like original date, tenor and effect, except as to denomination, numbering, interest rates, redemption terms, and dates of maturity, in the total amount of Two Million Three Hundred Thirty Thousand Dollars (\$2,330,000), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of construction additions and improvements to the Town's sewage works, and to pay incidental expenses, as authorized by Ordinance No. _____ adopted by the Town Council of the Town of Georgetown on the _____ day of _____, 1992, entitled "An Ordinance concerning establishment of the sewage works, the construction of additions and improvements to the sewage works of the Town of Georgetown, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said bonds, other matters connected therewith, and repealing ordinances inconsistent therewith," (the "Ordinance") and in strict compliance with the provisions of I.C. 36-9-23, as amended (the "Act").

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 heretofore or hereafter issued on a parity therewith are payable solely from the Sewage Works Sinking Fund to be provided from the net revenues (defined as the gross revenues of the sewage works of the Town after deduction only for the payment of the reasonable expenses of operation, repair and maintenance). This bond and the issue of which it is a part are a first lien on the net revenues.

The Town of Georgetown irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest and premium, if any, on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, 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 Sewage Works Sinking Fund under the provisions of said Act and the Ordinance. In the event the Town or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in payment of the interest or premium, if any, on or principal of this bond, the owner of the bond shall have all of the rights and remedies provided for under Indiana law.

The Town of Georgetown 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 (a) pay the principal and interest payments on the bonds, as such principal and interest shall fall due, (b) pay the necessary fiscal agency charges for paying all bonds and interest, and (c) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a charge upon all the net revenues of said works.

The bonds of this issue maturing on or after January 1, 2003, are redeemable at the option of the Town

on January 1, 2002, or any interest payment date thereafter, on thirty (30) days' notice, in whole or in part, in inverse chronological order of maturity and by lot within a maturity, at face value, together with the following premiums:

- 2% if redeemed on January 1, 2002 or thereafter before January 1, 2003;
- 1% if redeemed on January 1, 2003 or thereafter before January 1, 2004;
- 0% if redeemed on January 1, 2005 or thereafter prior to maturity;

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

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Town not less than thirty (30) days prior to the date fixed for redemption unless said notice is waived by the registered owner of this bond. The notice shall specify the date and place of redemption and the serial numbers of the bonds called for redemption. The place of redemption may be determined by the Town. Interest on said 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 and when said bonds shall be presented for redemption.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the Town may deposit in trust with the Paying Agent or another financial institution approved by the Town, 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 subject to defeasance prior to redemption or payment as provided in the Ordinance and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

This bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the office of the Registrar by the registered owner hereof in person, or by his 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 his 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 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 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.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and does hereby irrevocably constitutes and appoint _____ attorney to transfer the Bond on the Bond Register with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED: _____

NOTICE: Signature(s) must be guaranteed by a registered broker-dealer or a commercial bank or trust company

The following abbreviations, when used in the inscription of the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN CON as tenants in common
TEN ENT as tenants by the entireties
JT TEN as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors

Act _____
(State)

Additional abbreviations may also be used though not in list above
(End of Bond Form)

Sec. 6. The Clerk-Treasurer is hereby authorized and directed to have said bonds prepared, and the President of the Town Council and Clerk-Treasurer are hereby authorized and directed to execute said bonds in substantially the form and the manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver said bonds to the purchaser thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser has agreed to pay therefor, which shall be not less than 97% of the face value of said bonds plus accrued interest to the date of delivery. The bonds herein authorized, when fully 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 Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for application on the payment of the BAN, cost of construction and installation of said additions and improvements to the sewage works hereinbefore referred to, and the expenses necessarily incurred in connection therewith, and for the payment of interest accruing on the BAN or bonds for a period not to exceed one year from the date of issuance thereof. 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.

Sec. 7. Prior to the sale of said bonds at public sale, the Clerk-Treasurer shall cause to be published a notice of such sale 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, all in accordance with I.C. 5-1-11 and I.C. 5-3-1. A notice or summary notice of sale shall state the time and place of sale, 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

Clerk-Treasurer and the attorneys employed by the Town shall deem advisable and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of one percent of the face amount of the bonds to guarantee performance on the part of the bidder; 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, 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; 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 ($1/8$) or one-twentieth ($1/20$) of one percent (1%). No conditional bids or bids for less than 97% of the face amount of the bonds will be considered. The opinion of Barnes & Thornburg, bond counsel, approving the legality of said bonds, will be furnished to the purchaser at the expense of the Town.

The bonds shall be awarded by the Clerk-Treasurer to the best bidder who has submitted his bid in accordance with the terms of this ordinance, I.C. 5-1-11 and the notice of sale. 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 and deducting therefrom the premium bid, if any, and adding thereto the discount bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which offers an interest cost to the Town that is higher than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the President of the Town Council and Clerk-Treasurer in their sole discretion may elect to

negotiate the sale of said BAN or bonds to the Bond Bank at an interest rate not exceeding nine percent (9%) per annum. Any such election shall be confirmed by the Clerk-Treasurer's transmittal of written notice to the Town Council. The President of the Town Council and the Clerk-Treasurer are hereby authorized to (i) submit applications to said Bond Bank, (ii) execute a purchase agreement with said Bond Bank with terms conforming to this ordinance and (iii) award such bonds thereto upon such terms as are acceptable to the President of the Town Council and the Clerk-Treasurer. Such purchase agreement may set forth the definitive terms and conditions for such sale, but all of such terms and conditions must be consistent with the terms and conditions of this ordinance, including without limitation, the interest rate or rates on the bonds which shall not exceed the maximum authorized rate of interest for the bonds pursuant to this ordinance. BANs or Bonds sold to the Bond Bank shall be accompanied by all documentation required by the Bond Bank pursuant to the provisions of Indiana law and the purchase agreement, including without limitation an approving opinion of nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the BAN or bonds to the Bond Bank, challenging the validity or issuance of the BAN or bonds. The entry by the Town into the purchase agreement and the execution of the purchase agreement on behalf of the Town by the President of the Town Council and the Clerk-Treasurer in accordance with this ordinance are hereby authorized, approved and ratified.

Sec. 8. The accrued interest and premium, if any, received at the time of the delivery of the BAN or bonds shall be deposited in the Sewage Works Sinking Fund herein created. The proceeds from the sale of the BAN or bonds 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 Georgetown Sewage Works Construction Account" (the "Construction Account"). The funds in the Construction Account, together with

all investment earnings thereon, shall be expended only for the purpose of paying the cost of the improvements and extensions to the works approved by this ordinance and the expenses necessarily incurred in connection therewith, and for the payment of interest accruing on the bonds for a period not to exceed one year from the date of issuance thereof. Any balance or balances remaining unexpended in such Construction Account after completion of improvements and extensions to the works, which are not required to meet unpaid obligations incurred in connection with such construction may be paid into the Sewage Works Sinking Fund and used solely for the purposes of said Fund, or may be used for any purpose or project for which the bonds could have been issued, all in accordance with applicable law.

Sec. 9. The special fund designated "Sewage Works Sinking Fund" (the "Sinking Fund"), is hereby created as the fund for the payment of the interest on and principal of the bonds authorized by this ordinance and the payment of any fiscal agency charges in connection with the payment of the bonds. The Sinking Fund shall be maintained in a segregated account separate and apart from all other funds of the Town. There shall be set aside and paid into the Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works, as hereinbefore defined, for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of said sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety and for the payment of premiums upon bonds redeemed by call or purchase, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal ten (10%) percent of all other amounts so required to be paid into the Sinking Fund. Moneys in the Sinking Fund are pledged to such purposes. The monthly payments into the Sinking Fund shall be in an amount equal to at least one-twelfth

(1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as said fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the date of maturity thereof.

In addition to said required monthly payments into the Sinking Fund, all of the net revenues of said works not used in making said required Sinking Fund payments shall be set aside and paid into the Sinking Fund monthly or more often, as available, until there has been accumulated as a reserve in the Sinking Fund, over and above said required payments, an amount equal to the sum of the principal and interest on all then outstanding bonds which will be payable during the next succeeding twelve (12) calendar months. Thereafter, said reserve in the Sinking Fund shall be maintained at such level, and additional amounts of net revenues shall be deposited in the Sinking Fund to the extent necessary to maintain such level.

In no event shall any part of the Sinking Fund be used in calling bonds for redemption prior to maturity, except to the extent that the amount then in the Sinking Fund exceeds the amount required to pay the bonds which will mature within a period of twelve (12) calendar months next following the date of such redemption, together with all interest on the bonds payable in said period. Any such excess of funds above said required level may also be used in purchasing outstanding bonds at a price less than the then applicable redemption price, if first approved by the Town Council. Moneys in the Sinking Fund shall not be used for any purpose whatsoever except as stated in this section.

In the event all required payments into the Sinking Fund have been met to date, the Town Council may transfer any excess net revenues into a Sewage Works Improvement Fund (the "Improvement Fund") for extensions, betterments and additions to the works but only after making the above-mentioned required payments into the Sinking Fund and accumulating in said fund an amount sufficient to meet the requirements of said fund for the then next succeeding

twelve (12) month period, and, after funds in an amount sufficient for operation, repair, maintenance and depreciation have been accumulated in reserve for a forty-five (45) day period. No such transfer shall be made, however, which will interfere with the required monthly payments into the Sinking Fund or with the operation of the works. All or any portion of the funds accumulated and reserved for operation, repair, maintenance and depreciation, together with any funds in said Improvement Fund, shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on bonds payable from the Sinking Fund.

Withdrawals shall be made from the Sinking Fund and remitted to the Paying Agent to provide for payment of the interest and principal to meet such payments when due and it is to be understood that appropriate arrangements will be made so that the bonds will be promptly paid when due and presented at any designated place of payment and so that interest payments will be promptly mailed or delivered to owners of the bonds.

Sec. 10. All revenues derived from the operation of the sewage works and from the collection of sewage rates and charges shall be segregated and kept in a special fund and in a bank account separate and apart from all other funds of the Town. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the requirements of the Sinking Fund shall be met and the costs of extensions, betterments and additions to the works shall be paid.

Sec. 11. The moneys in any of the funds or accounts hereinbefore created or maintained shall be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, and in accordance with the arbitrage certificate delivered at the time of delivery of the bonds.

Sec. 12. The Town 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 deposited in said funds and accounts, all disbursements made therefrom on account of the operation of the works and to meet the requirements of the Sinking Fund, and all financial transactions relating to said works, including the amounts set aside or credited to the Sinking Fund, including the cash balances in said fund as of the close of the preceding fiscal year. There shall be prepared and furnished to the original purchasers of the bonds and, upon written request, to any subsequent owner of the bonds at the time then outstanding, not more than one hundred twenty (120) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the Clerk-Treasurer, or the person charged with the duty of auditing the books and records relating to the works, or such statements may be prepared by an independent certified public accountant retained by the Town for the purpose of preparing such statements. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of the bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the Town relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Sec. 13. The Town shall establish, maintain and collect just and equitable rates and charges for facilities and services afforded and rendered by said works, which shall to the extent permitted by law produce sufficient revenues at all times to pay all the legal and other necessary expenses incident to the operation of such utility, to include maintenance costs, operating charges, repairs, interest charges on bonds or other obligations, to provide the sinking fund for the liquidation of bonds or other evidences of indebtedness, to provide adequate funds to be used as working capital, as well as funds for making improvements, extensions, additions, and replacements, and also, for the payment of any taxes that may be assessed against such works, it being the

intent and purpose hereof that such charges shall produce an income sufficient to maintain such works property in a sound physical and financial condition to render adequate and efficient service. So long as any of the bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by said works shall be furnished without a reasonable and just charge being made therefor. The Town shall pay like charges for any and all services rendered by said works to the Town, and all such payments shall be deemed to be revenues of the works. Such rates or 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 and the requirements of the Sinking Fund.

Sec. 14. If, when the bonds issued hereunder or any portion thereof 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 then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of 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, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and 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 or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the Town's sewage works.

Sec. 15. The Town reserves the right to authorize and issue additional BANs or bonds, payable out of the revenues of its sewage

works, ranking on a parity with the bonds authorized by this ordinance and all other bonds ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions, replacements and improvements to the sewage works, or for refunding obligations, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) The net operating revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance 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 additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year 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 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 a certified public accountant employed by the Town for that purpose.

(c) The principal of said additional parity bonds shall be payable on January 1 and the interest on said additional parity bonds shall be payable semi-annually on January 1 and July 1 in the years which such principal and interest are payable.

Sec. 16. For the purpose of further safeguarding the interests of the holders of the bonds herein authorized, it is specifically provided as follows:

(a) All contracts let by the Town in connection with the construction of said additions and improvements to the sewage works 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 any amount required by law or deemed appropriate by the Town Council to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers 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 additions and improvements shall be constructed under the supervision and subject to the approval of a competent engineer as shall be 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) The Town shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the bonds herein authorized are outstanding, the Town shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not

used for that purpose shall be treated and applied as net revenues of the works. As an alternative to maintaining such insurance, the Town may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of applicable laws and is maintained in a manner consistent with programs maintained by similarly situated municipalities.

(e) So long as any of the bonds are outstanding and except as provided in Section 15 and subsection (f) hereof, the Town 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 replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 15 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 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 herein authorized, unless all of the bonds herein authorized are redeemed, retired or defeased pursuant to Section 14 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The Town shall take all action or proceedings necessary and proper 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, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this ordinance shall constitute a contract by and between the Town of Georgetown and the owners of the bonds herein authorized,

and after the issuance of said bonds, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said bonds, nor shall the Town Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said bonds or the interest thereon remain unpaid.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the bonds herein authorized for the uses and purposes herein set forth, and the owners of the bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and 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 and 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 under Indiana law in the event of default in the payment of the principal of or interest on any of the bonds herein authorized or in the event of default with respect to any of the provisions of this ordinance or the governing Act.

Sec. 17. In order to preserve the exclusion of interest on the bonds from gross income for federal income tax purposes and as an inducement to purchasers of the bonds, the Town represents, covenants and agrees that:

(a) No person or entity, other than the Town or another state or local governmental unit, will use proceeds of the bonds or property financed by the bond 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 proceeds or will have actual or beneficial use of

such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No bond proceeds will be transferred, directly or indirectly, or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the bond proceeds.

(c) The Town will not take any action nor fail to take any action with respect to the bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the bonds pursuant to Section 103 of the Internal Revenue Code of 1986 as in effect on the date of issuance of the bonds (the "Code"), including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on bond proceeds or other monies treated as bond proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts, in trust for such purpose. The Clerk-Treasurer is hereby authorized, with the advice of the attorneys for the Town, to make on behalf of the Town any elections authorized by the Code with respect to arbitrage rebate.

(d) The Town represents that:

(1) The Town is a governmental unit with general taxing powers;

(2) The BANs and the Bonds are not private activity bonds as defined in Section 141 of the Code;

(3) at least 95% of the net proceeds of the BANS and Bonds will be used for local governmental activities of the Town or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Town; and

(4) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town, all units to which the Town is subordinate and all units subordinate to the Town is not reasonably expected to exceed \$5,000,000 in calendar year 1992.

Therefore, the Town meets the requirements of Section 148(f)(4)(D) of the Code and will not have to rebate any arbitrage profits to the United States.

(e) The Town represents that:

(1) The BANS and Bonds are not private activity bonds as defined in Section 141 of the Code;

(2) The Town hereby designates the BANS and Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; and

(3) The reasonably anticipated amount of (A) qualified tax-exempt obligations which will be issued by the Town, all entities to which the Town is subordinate and all entities subordinate to the Town and (B) qualified obligations issued on behalf of 501(c)(3) organizations during calendar year 1992 will not exceed \$10,000,000.

Therefore, the BANS and Bonds qualify for the exception in the Code from the disallowance of 100% of the

deduction by financial institutions of interest expense allocable to tax-exempt obligations.

Sec. 18. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds per cent (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 nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any, on any bond issued pursuant to this ordinance or an advancement of the earliest redemption date on any bond; 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.

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 consent

to and approve the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer 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.

Without notice to or consent of the owners of the bonds, the Town may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this ordinance or in any supplemental ordinance; or

(b) to grant to or confer upon the owners of the bonds any additional rights, remedies, powers, authority

or security that may lawfully be granted to or conferred upon the owners of the bonds; or

(c) to make any other change which is not to the prejudice of the owners of the bonds.

Sec. 19. 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 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.

Sec. 20. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Sec. 21. This ordinance shall be in full force and effect from and after its passage.

Passed and adopted this 21st day of May, 1992.

TOWN COUNCIL OF THE TOWN OF
GEORGETOWN

Shawn Worden
Shawn Worden, President

Carol Miller
Carol Miller, Member

Janet Timberlake
Janet Timberlake, Member

Kenneth Frederick
Kenneth Frederick, Member

Gary R. Smith
Gary Smith, Member

ATTEST:

Linda Sanders
Linda Sanders, Clerk-Treasurer