

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE TOWN OF ZIONSVILLE, INDIANA SEWAGE WORKS REVENUE BONDS OF 2010, SERIES A, AUTHORIZING THE ISSUANCE OF THE TOWN OF ZIONSVILLE, INDIANA SEWAGE WORKS REFUNDING REVENUE BONDS OF 2019 TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF; AND ADDRESSING OTHER MATTERS CONNECTED THEREWITH

WHEREAS, the Town of Zionsville, Indiana (the “Town”), has heretofore established, acquired, constructed and financed its sewage works and currently owns and operates such sewage works (the “Sewage Works”) pursuant to the provisions of Indiana Code 36-9-23, as amended; and

WHEREAS, the Town Council of the Town (the “Town Council”) hereby finds that certain hereinafter described outstanding bonds of the Sewage Works should be refunded to obtain a reduction in interest payments and effect a savings to the Town; that the refunding of those outstanding bonds, together with redemption premium and accrued interest thereon and including all costs related to the refunding cannot be provided for out of funds of the Sewage Works now on hand and the refunding should be accomplished by the issuance of revenue bonds of the Sewage Works; and

WHEREAS, the Town has issued its Sewage Works Revenue Bonds of 2010, Series A, dated December 15, 2010 (the “2010 Bonds”), originally issued in the principal amount of \$5,520,000, now outstanding in the amount of \$3,945,000, pursuant to Amended and Restated Ordinance No. 13, adopted by the Town Council on October 4, 2010 (the “2010 Ordinance”), which 2010 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the Sewage Works; and

WHEREAS, the 2010 Bonds may be redeemed, at the option of the Town, in whole or in part beginning on January 15, 2019, at a redemption price of 101% of the principal amount to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, pursuant to prior bond ordinances adopted by the Town (the “Prior Ordinances”) the Town has heretofore issued certain “Sewage Works Revenue Bonds of 2010,” dated January 28, 2010 (the “2010 SRF Bonds”), “Sewage Works Revenue Bonds of 2015, Series B” dated July 15, 2015 (the “2015B Bonds”), and “Sewage Works Revenue Bonds of 2019” dated April 11, 2019 (the “2019 Bonds”) (the 2010 SRF Bonds, the 2015B Bonds and the 2019 Bonds, collectively, the “Prior Bonds”), which Prior Bonds constitute a first charge upon the Net Revenues of the sewage works; and

WHEREAS, the Prior Ordinances allow for the issuance of additional bonds payable from revenues of the Town’s Sewage Works and ranking on parity with the Prior Bonds; and

WHEREAS, the Town Council has found that it is beneficial to refund all of the outstanding 2010 Bonds (the “Refunded Bonds”) pursuant to the provisions of IC 5-1-5 to enable the Town to obtain a reduction in interest payments and effect a savings to the Town and hereby authorizes the same by issuance of refunding revenue bonds (the “Refunding Bonds”); and

WHEREAS, the Refunding Bonds will constitute a first charge against the Net Revenues (as hereinafter defined) of the Sewage Works on a parity with the Prior Bonds and are to be issued subject to the provisions of the laws of the Act (as hereinafter defined), and the terms and restrictions of this Ordinance; 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 4-4-11 and IC 13-18-13 (“SRF Program”); and

WHEREAS, this Town Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Refunding Bonds have been complied with in accordance with the provisions of IC 36-9-23 and IC 5-1-5, each as in effect on the date of delivery of the Refunding Bonds authorized herein (collectively, the “Act”).

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF ZIONSVILLE, INDIANA:

Section 1. Issuance of the Refunding Bonds. The Town, being the owner of and engaged in operating an unencumbered sewage works supplying the Town, its inhabitants, and the residents adjacent thereto, with sewage treatment and collection services, now finds it necessary to provide funds for refunding the Refunded Bonds thereby reducing its interest payments and effecting a savings, as will be reported after the sale of the bonds issued hereunder by the Town’s municipal advisor, Crowe LLP (the “Municipal Advisor”). Where used in this Ordinance, the term “Town” shall be construed also to include any department, board, commission or officer or officers of the Town or of any Town department, board or commission. The terms “Sewage Works”, “sewage works”, “works”, “system” and similar terms used in this Ordinance shall be construed to mean the Town’s existing sewage works system together with all the real estate, equipment and appurtenances thereto used in connection therewith, and all improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired as well as the drainage of storm and surface water to relieve the sewage works system of such water.

Section 2. The Refunding Bonds. In accordance with the Act and for the purpose of providing funds for the refunding of the Refunded Bonds, together with authorized expenses relating thereto including the costs of issuance of the Refunding Bonds, and all other costs related to the refunding, the Town shall issue in one or more series, its sewage works refunding revenue bonds designated “Town of Zionsville, Indiana Sewage Works Refunding Revenue Bonds of 2019” in the aggregate principal amount of not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000) (the “Refunding Bonds”). The principal of, redemption premium, if any, and interest on the Refunding Bonds shall be payable solely out of the Sewage

Works Sinking Fund as referred to below. The Refunding Bonds shall rank on parity with the Prior Bonds.

The Refunding Bonds shall be issued in one or more series as fully registered bonds in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof, or if sold through a private placement, denominations of One Hundred Thousand Dollars (\$100,000) or any integral multiple of Five Thousand Dollars (\$5,000) in excess thereof, in either case not exceeding the aggregate principal amount of the Refunding Bonds maturing in any one year shall be numbered consecutively from R-1 upward, and shall bear interest at a rate not to exceed five percent (5.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations). Interest on the Refunding Bonds shall be payable semiannually on January 15 and July 15 of each year (each an "Interest Payment Date"), commencing not earlier than July 15, 2019. The principal of the Refunding Bonds shall mature annually on January 15 and July 15 of each year, commencing not earlier than July 15, 2019, and ending no later than January 15, 2031, until the principal is fully paid. Interest on the Refunding Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The Refunding Bonds shall bear an original issue date which shall be the date of delivery and each Refunding Bond shall also bear the date of its authentication. Any Refunding Bond authenticated on or before the first (1st) day of the month of the first Interest Payment Date, shall pay interest from its original date. Any Refunding Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Refunding Bond to which interest thereon has been paid or duly provided for, unless such Refunding Bond is authenticated after the first (1st) day of the month of an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

The Mayor of the Town (the "Mayor") or the Director, Department of Finance and Records of the Town (the "Director, Department of Finance and Records") are authorized to serve as or to appoint a qualified financial institution to serve as the Registrar and Paying Agent for the Refunding Bonds (the "Registrar and Paying Agent") as will enable and facilitate the performance of its duties and responsibilities, and are authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, with such fees to be paid from the Sewage Works Sinking Fund as described in this Ordinance. The Registrar and Paying Agent is hereby charged with the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the Refunding Bonds.

If wire transfer payment for the Refunding Bonds is not required, the principal of and any redemption premium on the Refunding Bonds shall be payable at the principal corporate trust office of the Paying Agent. Interest on the Refunding Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the first (1st) day of the month of the Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. All payments on the Refunding Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

Each Refunding Bond shall be transferable or exchangeable only on the books of the Town maintained for such purpose at the principal corporate trust office of the Registrar, by the registered owner thereof in person, or by his or her attorney duly authorized in writing, upon surrender of such Refunding Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new fully registered Refunding Bond or Refunding 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. Each Refunding Bond may be transferred or exchanged without cost to the registered owner or his or her attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any Refunding Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Refunding Bond for redemption. The Town, the Registrar and the Paying Agent may treat and consider the person in whose name any Refunding Bond is registered as the absolute owner thereof for all purposes including the purpose of receiving payment of, or on account of, the principal thereof and redemption premium, if any, and interest thereon.

In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new Refunding Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Refunding Bond, which new Refunding Bond shall be marked in a manner to distinguish it from the Refunding Bond for which it was issued; provided, that in the case of any mutilated Refunding Bond, such mutilated Refunding Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Refunding Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Town and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Refunding Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Refunding Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Refunding Bond or satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Refunding Bond. The Town and the Registrar and Paying Agent may charge the owner of any such Refunding Bond with their reasonable fees and expenses in connection with the above. Every substitute Refunding Bond issued by reason of any Refunding Bond being lost, stolen or destroyed shall, with respect to such Refunding Bond, constitute a substitute contractual obligation of the Town pursuant to this Ordinance, whether or not the lost, stolen or destroyed Refunding Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Refunding Bonds duly issued hereunder.

In the event that any Refunding Bond is not presented for payment or redemption on the date established therefor, the Town may deposit in trust with the Paying Agent an amount sufficient to pay such Refunding Bond or the redemption price thereof, as appropriate, and thereafter the owner of such Refunding Bond shall look only to the funds so deposited in trust with the Paying Agent for payment and the Town shall have no further obligation or liability with respect thereto.

Section 3. Redemption of the Refunding Bonds. The Mayor and the Director, Department of Finance and Records, upon consultation with the Municipal Advisor, may designate maturities of Refunding Bonds (or portion thereof in integral multiples of \$5,000 principal amount each) that shall be subject to optional redemption and/or maturity sinking fund redemption, and the corresponding redemption dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Mayor and the Director, Department of Finance and Records, upon consultation with the Municipal Advisor, is hereby authorized and directed to determine the terms governing any such redemption, as evidenced by the delivery of the Refunding Bonds.

If any Refunding Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Refunding Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Refunding 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 Refunding Bond maturing as a term bond so delivered or cancelled 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 Refunding 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 Refunding Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Refunding Bonds to be called shall be selected by lot by the Registrar.

Notice of such redemption shall be mailed by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Refunding Bonds called for redemption (unless waived by such registered owner), at the address shown on the books of the Registrar. The notice shall specify date and place of redemption, and the registration numbers of the Refunding Bonds called for redemption. The place of redemption may be at the principal corporate trust office of the Paying Agent or as otherwise determined by the Town. Interest on the Refunding Bonds so called for redemption shall cease to accrue 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 redemption date and when such Refunding Bonds are presented for payment.

In addition to the foregoing notice, the Town may also direct that further notice of redemption of the Refunding Bonds be given, including without limitation and at the option of the Town, notice described in paragraph (a) below given by the Registrar to the parties described in paragraph (b) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Refunding Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the Town, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Refunding Bonds being redeemed; (ii) the date of issue of the Refunding Bonds as originally issued; (iii) the rate of interest borne by each Refunding Bond being redeemed; (iv) the maturity date of each Refunding Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Refunding Bond being redeemed.

(b) If so directed by the Town, each further notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Refunding Bonds (such depositories as the Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Refunding Bonds.

Upon the payment of the redemption price of the Refunding Bonds being redeemed and if so directed by the Town, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

Section 4. Authorization for Book-Entry System. The Refunding Bonds may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the Town from time to time (the "Clearing Agency"), without physical distribution of bonds to the purchasers. The following provisions of this Section apply in such event.

One definitive Refunding Bond of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The Town and Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Refunding Bonds as are necessary or appropriate to accomplish or recognize such book-entry form Refunding Bonds.

During any time that the Refunding Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Refunding Bond may be registered upon Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Refunding Bond is so registered shall be, and the Town and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Refunding Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such Refunding Bond, the receiving of notice and the giving of consent; (3) neither the Town nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Refunding Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Refunding Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Refunding Bond, the

receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Refunding Bond called for partial redemption, if any, prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the Town receives notice from the Clearing Agency which is currently the registered owner of the Refunding Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Refunding Bonds, or the Town elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Refunding Bonds, then the Town and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Refunding Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Refunding Bonds and to transfer the ownership of each of the Refunding Bonds to such person or persons, including any other Clearing Agency, as the holder of the Refunding Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Refunding Bonds, shall be paid by the Town.

During any time that the Refunding Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of the Refunding Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Refunding Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Refunding Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Refunding Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Director, Department of Finance and Records and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Refunding Bonds are held in book-entry form, the provisions of this Section 4 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

Section 5. Execution and Authentication of the Refunding Bonds. The Refunding Bonds shall be executed in the name of the Town by the manual or facsimile signature of the Mayor, and attested by the manual or facsimile signature of the Director, Department of Finance and Records, with the seal of the Town, if any, or a facsimile thereof to be affixed to each of the Refunding Bonds. The Refunding Bonds shall be authenticated by the manual signature of the Registrar, and no Refunding Bond shall be valid or become obligatory for any purpose until the

certificate of authentication thereon has been so executed. In case any official whose signature appears on any Refunding Bond shall cease to be such official before the delivery of such Refunding Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Refunding Bonds, the Refunding Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

Section 6. Security and Sources of Payment for the Refunding Bonds. The Refunding Bonds, together with the Prior Bonds, and any bonds hereafter issued on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and constituting a first charge, upon all of the Net Revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the Sewage Works, including all such Net Revenues from the existing works and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside in the Sewage Works Bond Sinking Fund. The Town shall not be obligated to pay the Refunding Bonds or the interest thereon except from the Net Revenues of the Sewage Works, and the Refunding 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.

Section 7. Form of the Refunding Bonds. The form and tenor of the Refunding Bonds shall be substantially as set forth in Exhibit A, attached hereto and incorporated herein as if set forth at this place (with all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof).

Section 8. Issuance, Sale and Delivery of the Refunding Bonds. The Director, Department of Finance and Records is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor and the Director, Department of Finance and Records are hereby authorized and directed to execute or to cause the execution of the Refunding Bonds in the form and manner herein provided. The Director, Department of Finance and Records is hereby authorized and directed to deliver the Refunding Bonds to the purchaser or purchasers thereof upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or respective purchasers have agreed to pay therefor, which shall not be less than 99.0% of the par amount of the Refunding Bonds, plus accrued interest thereon to the date of delivery. The Refunding Bonds, when fully paid for and delivered to the purchaser or purchasers shall be the binding special revenue obligations of the Town, payable out of the revenues of the Sewage Works to be set aside and paid into the Sewage Works Bond Sinking Fund as herein provided, and the proceeds derived from the sale of the Refunding Bonds shall be and are hereby set aside for the application to the costs of refunding the Refunded Bonds and the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Refunding Bonds on account of the financing thereof. The authorized officers of the Town are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

If the Refunding Bonds are sold by competitive bid, the Director, Department of Finance and Records shall cause to be published either (i) a notice of such sale two (2) times, at least one

(1) week apart, with the first publication made at least fifteen (15) days before the date of such sale and the second publication at least three (3) days before the date of the sale in accordance with Indiana Code 5-3-1-2 in one (1) newspaper, as defined in and in accordance with Indiana Code 5-3-1-4 or (ii) a notice of intent to sell bonds once each week for two (2) weeks in accordance with Indiana Code 5-1-11-2 and Indiana Code 5-3-1-4 and in a newspaper of general circulation published in the State capital, in which case bids may not be received more than ninety (90) days after the first publication. Such notice, or a summary thereof, may also be published in any other publications deemed appropriate in the discretion of the Director, Department of Finance and Records. The bond sale notice shall state the time and place of sale, the purpose for which the Refunding Bonds are being issued, the total amount and maturities thereof, the maximum rate of interest thereon and any limitations as to the number of interest rates and the setting of such rates, the terms and conditions upon which bids will be received and the sale made, and such other information as the Director, Department of Finance and Records and the attorneys employed by the Town shall deem necessary or advisable. Such notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check or wire transfer in the amount of one percent of the par amount of the Refunding Bonds to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the Refunding Bonds as soon as the Refunding Bonds are ready for delivery, or at the time fixed in the notice of sale, then such check and the proceeds thereof shall become the property of the Town and shall be considered as the Town's liquidated damages on account of such default.

All bids for the Refunding Bonds shall be sealed and shall be presented to the Director, Department of Finance and Records or her designee at the physical or electronic address identified in the notice. Bidders for the Refunding Bonds shall be required to name the rate or rates of interest which the Refunding Bonds are to bear, not exceeding five percent (5.0%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent. Bids specifying more than one interest rate shall also specify the amount and maturities of the Refunding Bonds bearing each rate, and all Refunding Bonds maturing on the same date shall bear the same rate. The rate on any maturity shall be equal to or greater than the rate on the immediately preceding maturity. The Refunding Bonds shall be awarded by the Director, Department of Finance and Records to the best bidder who has submitted a bid in accordance with the terms of this Ordinance and the notice of sale. The best bidder will be the bidder who offers the lowest net interest cost to the Town, to be determined by computing the total interest on all of the Refunding Bonds from the date thereof to their respective maturities and deducting therefrom the premium bid, if any. No bid for less than all of the Refunding Bonds, plus accrued interest to the date of delivery, shall be considered. The Town shall have the right to reject any and all bids. In the event an acceptable bid is not received on the date fixed in the notice, the Director, Department of Finance and Records shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without readvertising. During the continuation of the sale, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time originally fixed for the sale of the Refunding Bonds in the bond sale notice.

As an alternative to competitive bid, the Director, Department of Finance and Records may negotiate the sale of said Refunding Bonds at an interest rate or rates not exceeding five percent (5.0%) per annum. The Mayor and the Director, Department of Finance and Records are

hereby authorized to (i) execute a purchase agreement with the purchaser, and (ii) sell such Refunding Bonds upon such terms as are acceptable to the Mayor and the Director, Department of Finance and Records consistent with the terms of this Ordinance. The final form of the purchase contract shall be determined by the Mayor and Director, Department of Finance and Records, upon advice of the Town's bond counsel and Municipal Advisor and the Mayor and Director, Department of Finance and Records are hereby authorized and directed to complete, execute and attest the same on behalf of the Town so long as its provisions are consistent with the Ordinance.

The Director, Department of Finance and Records is hereby authorized to appoint a financial institution to serve as escrow trustee (the "Escrow Trustee") for the Refunded Bonds in accordance with the terms of an Escrow Agreement between the Town and the Escrow Trustee (the "Escrow Agreement"). The Mayor and the Director, Department of Finance and Records are hereby authorized and directed to complete, execute and attest the same on behalf of the Town so long as its provisions are consistent with this Ordinance and the purchase contract.

The execution, by either the Mayor, Director, Department of Finance and Records, or the purchaser, of a subscription for investments of proceeds of the Refunding Bonds to be held under the Escrow Agreement in a manner consistent with this Ordinance is hereby approved.

Prior to the delivery of the Refunding Bonds, the Director, Department of Finance and Records (i) shall be authorized, but not required, to investigate and to obtain insurance, surety bonds and/or credit ratings on the Refunding Bonds and (ii) shall obtain a legal opinion as to the validity of the Refunding Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the Town, and such opinion shall be furnished to the purchasers of the Refunding Bonds at the expense of the Town. The costs of obtaining any such insurance, surety bonds and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Refunding Bonds, shall be considered as a part of the cost of issuance of the Refunding Bonds and shall be paid out of the proceeds of the sale of the Refunding Bonds.

Section 9. Official Statement. Distribution of an Official Statement (preliminary and final), if any, prepared by the Municipal Advisor, is hereby approved and the Mayor or Director, Department of Finance and Records are authorized and directed to execute the Official Statement on behalf of the Town in a form consistent with this Ordinance. The Mayor or the Director, Department of Finance and Records is hereby authorized to designate the Official Statement as "nearly final" for purposes of Rule 15c2-12 as promulgated by the Securities and Exchange Commission.

Section 10. Continuing Disclosure. If required under applicable securities laws, the Town Council hereby approves, and authorizes and directs the Mayor and the Director, Department of Finance and Records, for and on behalf of the Town, to execute and deliver, and to perform the obligations of the Town under, a Continuing Disclosure Contract from the Town to each registered owner or holder of any Refunding Bond (the "Continuing Disclosure Contract"). The Mayor and the Director, Department of Finance and Records are authorized to approve the form of the Continuing Disclosure Contract, such determination to be conclusively

evidenced by such Mayor's and such Director, Department of Finance and Records's execution thereof.

Section 11. Refunding of the Refunded Bonds and Costs of Issuance. Concurrently with the delivery of the Refunding Bonds, the Director, Department of Finance and Records may acquire, with the proceeds of the Refunding Bonds and cash on hand, investments as permitted under the ordinance authorizing the 2010 Bonds (the "Obligations") to be used, together with certain cash from the proceeds of the Refunding Bonds and cash on hand, if any, as set forth in the Escrow Agreement, to refund and legally defease the 2010 Bonds all as set forth in the Escrow Agreement. In order to refund the 2010 Bonds, the Director, Department of Finance and Records shall deposit the Obligations and certain cash, if any, with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide moneys for the payment of the principal of and interest and redemption premium, if any, on the 2010 Bonds until the earliest date upon which the 2010 Bonds may be called for redemption.

If required for the legal defeasance of the Refunded Bonds, the Director, Department of Finance and Records shall obtain a verification of an accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said refunding and legal defeasance of the Refunded Bonds.

Costs of issuance of the Refunding Bonds not otherwise paid shall be paid from the remaining proceeds by the Director, Department of Finance and Records. When all the costs of issuance of the Refunding Bonds have been paid, the Director, Department of Finance and Records shall then transfer any amount then remaining from the proceeds of the Refunding Bonds to the Sewage Works Sinking Fund herein created.

Section 12. Disposition of Proceeds of the Refunding Bonds. The proceeds from the sale of the Refunding 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. All funds deposited to the credit of the Sewage Works Sinking Fund 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, applicable provisions of Indiana Code 5-13. Any interest or income derived from any such investments shall become a part of the monies in the fund or account so invested.

Each of the funds and accounts of the Sewage Works 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, applicable provisions of Indiana Code 5-13, Indiana Code 4-4-11 and the acts amendatory thereof and supplemental thereto. Any interest or income derived from any such investments shall become a part of the moneys in the fund or account so invested.

Upon issuance of the Refunding Bonds, moneys held and on deposit in the existing funds and accounts established under the Prior Ordinances shall remain on deposit therein.

Section 13. Pledge of Net Revenues. The interest on and the principal of the Refunding Bonds issued pursuant to the provisions of this ordinance, the Prior 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 14. Sewage Works Revenue Fund and Sewage Works Operation and Maintenance Fund. The Town shall segregate, deposit and keep in a special fund, separate and apart from all other funds of the Town, all gross revenues received on account of the sewage works, which special fund was established and designated as the “Town of Zionsville, Sewage Works Revenue Fund” (“Revenue Fund”) and is continued hereby. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the sewage works shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, reserves shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided.

The Operation and Maintenance Fund (“O&M Fund”) is hereby continued. On the last day of each month there shall be set apart and paid out of the Revenue Fund into the O&M Fund an amount of moneys so that the balance maintained in the O&M Fund is sufficient to pay the reasonable expenses of operation, repair and maintenance for the then next two (2) succeeding months. Moneys credited to the O&M Fund shall be used for the payment of the reasonable expenses of operation, repair and maintenance of the sewage works on a day-to-day basis, but none of the moneys in such fund shall be used for depreciation, replacements, improvements, extensions or additions. Any balance in said Fund may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of and interest on the outstanding bonds of the sewage works, or if necessary to eliminate any deficiencies in credits to or minimum balance in the Reserve Accounts described below.

Section 15. Sewage Works Sinking Fund. (a) There is hereby continued a fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works and the payment of any fiscal agency charges in connection with the payment of the bonds and interest, which fund has been designated the Sewage Works Sinking Fund (“Sinking Fund”). There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the sewage works to meet the requirements of the Bond and Interest Account and Reserve Account created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equals the amount needed to redeem all the then outstanding bonds.

(b) Bond and Interest Account. The Bond and Interest Account is hereby continued. There shall be credited, on the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to at least one-sixth (1/6) of the principal of and interest on all then outstanding bonds payable on the then next succeeding principal and interest payment dates until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on the bonds as the same become 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 to the bank fiscal agency sufficient moneys

to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. The Reserve Account is hereby continued. On the date of delivery of the Refunding Bonds, the Town may deposit funds on hand of the sewage works, Refunding Bond proceeds or a combination thereof into the Reserve Account. The initial deposit or the balance accumulated in the Reserve Account shall equal but not exceed the least of: (i) the maximum annual debt service on the Refunding Bonds, the Prior Bonds and any bonds issued in the future by the Town which are payable from Net Revenues of the sewage works and which rank on a parity with the Refunding Bonds (“Parity Bonds”); (ii) 125% of average annual debt service on the Refunding Bonds, the Prior Bonds and any Parity Bonds; or (iii) 10% of the proceeds of the Refunding Bonds, the Prior Bonds and any Parity Bonds (“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 Refunding Bonds, the Prior Bonds and any Parity Bonds. If the initial deposit into the Reserve Account does not equal the Reserve Requirement or if no deposit is made, beginning with the first month after the Refunding Bonds are delivered, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Refunding Bonds.

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 and Moody’s Investors Service. If such surety bond is purchased, the Mayor and the Director, Department of Finance and Records 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 the margin for safety and protection against default in the payment of principal of and interest on the Refunding Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Refunding Bonds and any Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding bonds, then this depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Sewage Works Improvement Fund.

Section 16. Sewage Works Improvement Fund. After meeting the requirements of the O&M Fund and the Sinking Fund, any excess revenues may be transferred or credited to the “Sewage Works Improvement Fund” (“Improvement Fund”), hereby continued and such Fund

shall be used for improvements, replacements, additions and extensions of the sewage works. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund or may be transferred to the O&M Fund to meet unforeseen contingencies in the operation and maintenance of the sewage works.

Section 17. 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 O&M 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 18. 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 Director, Department of Finance and Records.

Section 19. 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 20. Defeasance of Refunding Bonds. If, when any of the Refunding 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 Refunding 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 Refunding 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 Refunding 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 21. Additional Bond Provisions. 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 Refunding 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) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the sewage works shall have been paid to date in accordance with their terms.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such parity bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds, the sewage rates and charges shall be increased sufficiently so that the increased rates and charges, if realized and when applied to the previous fiscal year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including 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 employed by the Town for that purpose who shall certify the satisfaction of the foregoing conditions for the issuance of parity bonds.

(c) The interest on the additional parity bonds shall be payable semiannually on the fifteenth days of January and July and the principal of, or the mandatory sinking fund redemption dates for, the additional parity bonds shall be payable semiannually on the fifteenth days of January and July.

(d) The reserve shall be satisfied for the additional parity bonds either as of the date of delivery of said additional parity bonds or through equal monthly deposits of Net Revenues sufficient to accumulate the reserve in a manner commensurate with and proportional to the provisions established by Section 15 of this ordinance.

(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 22. 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 Refunding Bonds, it is hereby specifically provided as follows:

(a) So long as any of the Refunding Bonds 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.

(b) So long as any of the Refunding Bonds 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.

(c) So long as any of the Refunding 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.

(d) 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.

(e) Except as hereinbefore provided in Section 21 hereof, so long as any of the Refunding 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 Refunding Bonds, unless all of the Refunding Bonds are redeemed, retired or defeased coincidentally with the delivery of such additional bonds or other obligations or, as provided in Section 20 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.

(f) 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.

(g) The provisions of this ordinance shall constitute a contract by and between the Town and the owners of the Refunding Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Refunding Bonds, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Refunding Bonds, 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 Refunding Bonds, the interest thereon remain outstanding or unpaid. Except for the changes set forth in Section 25(a)-(g), this ordinance may be amended, however, without the consent of Refunding Bond owners, if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Refunding 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.

(h) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Refunding Bonds 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 Refunding 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 Refunding Bonds.

Section 23. Investment of Funds. (a) The Director, Department of Finance and Records 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 Refunding Bonds under federal law.

(b) The Director, Department of Finance and Records 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 Director, Department of Finance and Records 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 Director, Department of Finance and Records may pay any fees as operation expenses of the sewage works.

Section 24. Tax Covenants. In order to preserve the exclusion of interest on the Refunding Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Refunding Bonds, as the case may be (“Code”) and as an inducement to purchasers of the Refunding Bonds, 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 Refunding Bonds or property refinanced by the Refunding 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 refinanced by Refunding Bond 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 Refunding Bonds. If the Town enters into a management contract for the sewage works, the terms of the contract will comply with IRS Revenue Procedure 2016-44, 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 Refunding Bonds, as the case may be.

(b) No more than 10% of the principal of or interest on the Refunding Bonds is (under the terms of the Refunding Bonds, 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 Refunding Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Refunding Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Refunding Bond proceeds.

(d) The Town reasonably expects, as of the date hereof, that the Refunding Bonds 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 Refunding Bonds.

(e) No more than 5% of the proceeds of the Refunding Bonds 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 Refunding Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Refunding Bonds 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 Refunding Bonds 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 Refunding Bond 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 Refunding Bonds.

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

(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 Mayor and the Director, Department of Finance and Records to determine whether any series of Refunding Bonds 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 Refunding Bonds.

Section 25. 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 Refunding 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 Refunding Bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any Refunding 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 Refunding Bond or Refunding Bonds issued pursuant to this ordinance over any other Refunding Bond or Refunding Bonds issued pursuant to the provisions of this ordinance; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental ordinance; or

(f) A reduction in the required balance to be held as a reserve for the Refunding 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 Refunding 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 Director, Department of Finance and Records of the Town, no owner of any Refunding 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 Refunding 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 Refunding Bonds authorized by this ordinance, and the terms and provisions of the Refunding 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 Refunding Bonds issued pursuant to this ordinance then outstanding.

Section 26. Waiver of Tax Covenants. Notwithstanding any other provision of this Ordinance, any of the covenants and authorizations contained in Section 24 of this Ordinance (the "Tax Covenants") which are designed to preserve the exclusion of interest on the Refunding Bonds from gross income for purposes of federal income taxation need not be complied with if the Town receives an opinion of nationally recognized bond counsel to the effect that compliance with such Tax Covenant is unnecessary to preserve such exclusion of interest.

Section 27. Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this ordinance, is a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this ordinance, and no interest shall accrue for the period after such nominal day.

Section 28. Other Actions. Each of the Mayor and the Director, Department of Finance and Records is hereby authorized and directed, for an on behalf of the Town, to execute and deliver any agreement, certificate or other instrument or take any other action which such officer determines to be necessary or desirable to carry out the transactions contemplated by this ordinance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

Section 29. Construction with Other Ordinances. All ordinances, except for the Prior Ordinance, in conflict with this Ordinance are hereby repealed.

Section 30. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

Section 31. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

DULY PASSED AND ADOPTED this ____ day of _____, 2019, by the Town Council of the Town of Zionsville, Boone County, Indiana, having been passed by a vote of ____ in favor and ____ opposed.

**TOWN COUNCIL OF THE TOWN OF ZIONSVILLE,
BOONE COUNTY, INDIANA**

YEA

NAY

Signature

Signature

Josh Garrett, President		
Bryan Traylor, Vice President		
Kevin Spees, Member		
Elizabeth Hopper, Member		
Thomas Schuler, Member		
Jason Plunkett, Member		
Susana Suarez, Member		

I hereby certify that the foregoing Ordinance was delivered to Town of Zionsville Mayor Timothy R. Haak on the ____ day of _____ 2019, at _____ m.

ATTEST: _____
Amelia Anne Lacy, Director
Department of Finance and Records

MAYOR'S APPROVAL

Timothy R. Haak, Mayor

Date

MAYOR'S VETO

Timothy R. Haak, Mayor

Date

EXHIBIT A

R-__

[FORM OF REGISTERED BOND]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF BOONE

TOWN OF ZIONSVILLE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BOND OF 2019

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Town of Zionsville, in Boone County, State of Indiana, (the "Town") for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above as evidenced by the records of the registered owner making payments for this bond, or its assigns, on the Maturity Date specified 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 Amount is paid upon redemption or at maturity, at the Interest Rate per annum specified above and from the interest payment date to which interest has been paid or duly provided for next preceding the Date of Authentication of this bond as shown above (unless this bond is authenticated after the first day of the month of an interest payment date (the "Record Date") and on or before the next such interest payment date, in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before [January/July] 1, 20__, in which case it shall bear interest from the Original Date specified above), with such interest payable semiannually on January 15 and July 15 of each year, commencing [January/July] 15, 20__. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this Refunding Bond are payable upon the surrender thereof at the principal office of _____ (the "Registrar" or the "Paying Agent") in the _____, _____. All payments of interest on this Refunding Bond

shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record Date at the address as it appears on the registrations books kept by the Registrar. Each Registered Owner of \$1,000,000 or more in principal amount of the Refunding Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of, and premium, if any, on the Refunding Bonds (as hereinafter defined) 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 series of bonds of like date, tenor and effect, except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating _____ Dollars (\$_____), numbered and lettered consecutively from R-1 upward (the "Refunding Bonds"), issued for the purpose of providing funds to the current refunding of the Refunded Bonds (as defined in the Ordinance) and to pay the costs of issuance of the Refunding Bonds. This Refunding 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 refunding of the Sewage Works Revenue Bonds of 2010, Series A, authorizing the issuance of the Sewage Works Refunding Revenue Bonds of 2019 to provide funds for the payment of the costs thereof, and addressing other matters connected therewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including, without limitation, Indiana Code 36-9-23 and IC 5-1-5, as amended (the "Act").

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this Refunding Bond, the Prior Bonds (as defined in the Ordinance), and any bonds hereafter issued on a parity therewith are payable solely from the Sewage Works Bond Sinking Fund (the "Sinking Fund") maintained under the Ordinance to be funded from the Net Revenues (herein defined as the gross revenues of the Sewage Works (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 anytime hereafter constructed or acquired) after deduction only for the payment of the reasonable expenses of operation, repair and maintenance of the System).

The Town irrevocably pledges the entire Net Revenues of the Sewage Works to the prompt payment of the principal of and interest on the Refunding Bonds, the Prior Bonds and any bonds ranking on a parity therewith to the extent necessary for such purposes, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the Sewage Works as are sufficient in each year for the payment of the proper and reasonable expenses of operation and maintenance of the Sewage Works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. If the Town or the proper officers thereof shall fail or refuse to so fix, maintain and

collect such rates or charges, or if there shall be a default in the payment of the 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 System and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The Town further covenants that for so long as the Refunding Bonds, the Prior Bonds and any bonds hereafter issued on a parity therewith (the "Parity Bonds") remain outstanding, it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues of the Sewage Works for the payment of (a) the interest on all bonds payable from the revenues of the Sewage Works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, (c) the principal of all bonds payable from the revenues of the Sewage Works, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the System. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

[Insert optional redemption terms, if applicable].

[The bonds maturing on _____ 1, ___ 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:

<u>Date</u>	<u>Amount</u>
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*

*Final Maturity]

[Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed shall be selected by lot by the Registrar.]

Notice of such redemption shall be mailed to the address of the registered owners of the Refunding Bonds to be redeemed 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) and not more than sixty (60) days prior to the date fixed for redemption, unless the notice is waived by the registered owner of the Refunding Bonds to be redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Refunding Bonds called for redemption. The place of redemption may be determined by the Town. Interest on the Refunding Bonds 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 thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder.

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, an amount sufficient to pay such Refunding 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 for payment and the Town shall have no further obligation or liability with 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 in person, or by his attorney duly authorized in writing, upon surrender of this Refunding 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 Refunding Bond or Refunding Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or to the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. The Town, the Registrar and the Paying Agent may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal hereof and interest and premium, if any, due hereon.

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

The Refunding Bonds are issuable only in fully registered form in the denomination of [\$5,000] or any integral multiple thereof.

[A Continuing Disclosure Contract from the Town to each registered owner or holder of any Refunding Bond, dated as of the date of initial issuance of the Refunding Bonds (the "Contract"), has been executed by the Town, a copy of which is available from the Town and the terms of which are incorporated herein by this reference. The Contract contains certain promises of the Town to each registered owner or holder of any Refunding Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Contract and to the exchange of such payment and acceptance for such promises.]

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

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Town of Zionsville, in Boone County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the Mayor of the Town, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Director, Department of Finance and Records.

TOWN OF ZIONSVILLE

Mayor

(Seal)

ATTEST:

Director, Department of Finance and Records

CERTIFICATE OF AUTHENTICATION

This bond is one of the Town of Zionsville Sewage Works Refunding Revenue Bonds of 2019, issued and delivered pursuant to the provisions of the within-mentioned Ordinance.

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (insert name and address) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

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.

Signature Guarantee:

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