

ORDINANCE NO. 2020-OR-014

AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION BY THE TOWN OF SELLERSBURG, INDIANA, OF CERTAIN EXTENSIONS, REPAIRS, AND IMPROVEMENTS TO THE TOWN'S SEWAGE WORKS UTILITY, THE ISSUANCE AND SALE OF REVENUE BONDS AND BANS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SEWAGE WORKS AND OTHER RELATED MATTERS

WHEREAS, the Town of Sellersburg, Indiana (the "Town"), has heretofore established and constructed and currently owns and operates a sewage works utility by and through its Town Council, acting in its capacity as the Town's Works Board (the "Board"), to furnish the public sewage works to the Town and its inhabitants (the "Sewage Works"), pursuant to the provisions of Indiana Code 36-9-23, as amended (the "Act"); and

WHEREAS, the Town Council hereby finds that certain extensions and improvements of the Sewage Works are necessary; and Jacobi, Toombs & Lanz, Inc., the consulting engineers employed by the Town (the "Consulting Engineers"), have prepared and filed plans, specifications, and detailed descriptions and estimates of the costs of the necessary extensions, repairs, and improvements of the Sewage Works, which plans, specifications, descriptions and estimates, to the extent required by law, have been duly submitted to and approved or will be approved by all governmental authorities having jurisdiction thereover (the improvements, repairs, and extensions to the Sewage Works as described in such engineers' plans and specifications and below as set forth in Exhibit A (and as more fully set forth in the Financial Assistance Agreement (as hereinafter defined), and any amendment thereto, attached hereto and made a part hereof) are referred to herein as the "Project"); and

WHEREAS, this Town Council further finds that the estimates prepared and delivered by the Consulting Engineers with respect to the costs of acquisition and construction of such improvements and extensions to the Sewage Works, and including all authorized expenses relating thereto, including the costs of issuance of bonds on account of the financing of all or a portion thereof, will be in the aggregate amount not to exceed Thirty Million Dollars (\$30,000,000), to be financed by a combination of any grants and the issuance of revenue bonds in an amount not to exceed Thirty Million Dollars (\$30,000,000) and the issuance of bond anticipation notes in an amount not to exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000); and

WHEREAS, this Town Council hereby finds that to provide funds necessary to pay for the costs of the Project for which other funding is not available, it will be necessary for the Town to issue sewage works revenue bonds, in one or more series (the "Bonds"), in an amount not to exceed Thirty Million Dollars (\$30,000,000) and, if necessary, bond anticipation notes (the "BANs") in an amount not to exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000); and

WHEREAS, the Town desires to authorize the issuance of sewage works revenue bonds hereunder payable from the Net Revenues (as hereinafter defined) of the Sewage Works, and BANs, if necessary, payable from proceeds of such sewage works revenue bonds, issued to finance

the aforementioned costs of the Project, and to authorize the refunding of said BANs, if issued; and

WHEREAS, this Town Council consequently seeks to authorize the issuance of the Bonds and the BANs to finance the costs of the acquisition and construction of the Project pursuant to the Act and the sale of such revenue bonds at public sale pursuant to the provisions of Indiana Code 5-1-11, or to the Authority (as defined below) as set forth below, pursuant to the provisions of the Act, subject to and dependent upon the terms and conditions hereinafter set forth; and

WHEREAS, the Town Council finds that there are certain outstanding bonds of the sewage works designated "Town of Sellersburg, Indiana Sewage Works Revenue Bonds of 2009" dated June 16, 2009 issued pursuant to the Town's Amended and Restated Ordinance No. 2003-07 (the "2003 Ordinance") and amended by Ordinance No 2009-016 (the "2009 Ordinance") presently outstanding in the amount of Three Hundred Thirty-Five Thousand Dollars (\$335,000) (the "2009 Bonds"); and

WHEREAS, other than the 2009 Bonds, the Town has no outstanding bonds payable from the Net Revenues of the Sewage Works; and

WHEREAS, Section 5 of the 2009 Ordinance, which amended and restated Section 17 of the 2003 Ordinance, authorize the issuance of additional revenue bonds ranking on a parity basis with the 2009 Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Sewage Works, provided that certain conditions are met; and

WHEREAS, this Town Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of sewage works revenue bonds, on a parity basis with the 2009 Bonds, and BANs, if necessary, to provide the necessary funds to be applied to the costs of the Project and all authorized costs relating thereto, have been complied with in accordance with the provisions of the Act and Indiana Code 5-1-14-5 (together with IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10); and

WHEREAS, the Town may enter into a Financial Assistance Agreement (substantially in the form of Exhibit B attached hereto and made a part hereof) with the Indiana Finance Authority (the "Authority") as part of its wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 ("WWSRF Program"), pertaining to the Project and the financing of the Project ("Financial Assistance Agreement") if any BANs or Bonds are sold to the Authority as part of its WWSRF Program; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SELLERSBURG, INDIANA, AS FOLLOWS:

Section 1. Acquisition and Construction of the Project. The Town, acting by and through the Board and as the owner and operator of the Sewage Works for the furnishing of the sewage works to the Town and its inhabitants, hereby orders, authorizes and directs the Board to acquire any and all necessary property and to proceed with the acquisition, development and construction of improvements and extensions to the Sewage Works, pursuant to the Act and in accordance with the plans, specifications and cost estimates heretofore prepared and filed with the Board by the Consulting Engineers, which plans, specifications and cost estimates are hereby adopted and approved and, by reference, incorporated fully into this Ordinance, and two copies of which are

now on file in the office of the Clerk-Treasurer of the Town (the "Clerk-Treasurer") and are open for public inspection. The actions of the Board in connection with the acquisition of any and all necessary property and the construction and financing of such improvements and extensions to the Sewage Works are hereby authorized, approved, ratified and confirmed.

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" and similar terms used in this Ordinance shall be construed to mean the Treatment Works, as may be defined in the Financial Assistance Agreement, and shall include the existing structures and property of the Sewage Works and all enlargements, improvements, extensions and additions thereto, and replacements and repairs thereof, now or subsequently constructed or acquired, whether from the proceeds of the bonds authorized herein or otherwise. Such improvements and extensions shall be constructed and the Bonds herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

Section 2. Description of the Project. The Project is more particularly described in Exhibit A attached hereto and made a part hereof. The Town shall proceed with the acquisition, construction and installation of the Project and shall enter into all contracts necessary or appropriate for such purpose, in conformity with and subject to the requirements and conditions set forth in this Ordinance and in the Act.

Section 3. The BANs and the Bonds.

(a) The Town may issue, if necessary, bond anticipation notes (the "BANs") for the purpose of procuring interim financing to pay certain costs of the Project, and, if deemed appropriate, the costs of issuance of the BANs. The Town may issue the BANs in one or more series, in an aggregate principal amount not to exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000), to be designated "Sewage Works Revenue Bond Anticipation Notes, Series 2020" (with such further or different series designation as may be necessary or appropriate) on a subordinate basis to the 2009 Bonds. The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of \$1,000 or more (or such higher denominations as the Clerk-Treasurer shall determine prior to the sale of the BANs) (or if purchased by the Authority, in \$1.00 denominations). The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed four percent (4%) per annum (the exact rate or rates to be determined by bidding or through negotiations with the purchasers of the BANs) payable upon maturity. Each series of BANs will mature no later than three (3) years after their date of delivery, unless determined otherwise by the Clerk-Treasurer with the advice of the Town's Municipal Advisor (as defined below). The BANs are subject to renewal or extension at an interest rate or rates not to exceed four percent (4%) per annum (the exact rate or rates to be determined by bidding or negotiation). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

The BANs shall be issued pursuant to IC 5-1-14-5, as amended, and may be sold to a financial institution or any other purchaser, including the WWSRF Program. The BANs shall be sold at a price not less than ninety-nine percent (99%) of the principal amount thereof. The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale hereunder of the Bonds. The interest on the BANs shall be payable semi-annually on a subordinate

basis to the 2009 Bonds either from the Net Revenues of the Sewage Works or from proceeds from the issuance and sale hereunder of the Bonds. The President of the Town Council (the "Town Council President") and the Clerk-Treasurer are hereby authorized and directed to execute a BAN Purchase Agreement in such form or substance as they shall approve acting upon the advice of counsel and Frost Brown Todd LLC, as bond counsel. The BANs may be made redeemable at the option of the Town, in whole or in part, on dates and with premiums, if any, and subject to any other terms as determined by the Clerk-Treasurer with the advice of the Municipal Advisor, prior to the sale of the BANs. In the case of prepayment, the principal and accrued interest due on the BANs shall be paid only from proceeds of the Bonds, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor; provided, however, that such other funds are not pledged to the payment of the BANs. The Town Council President and the Clerk-Treasurer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith. Unless otherwise indicated by the context, references herein to the Bonds shall also apply to the BANs.

Notwithstanding any other provision of this Ordinance, if the BANs are sold to a purchaser that so agrees, the Town may receive payment for the BANs in installments, and principal shall not be payable and interest shall not accrue on the BANs until such principal amount has been advanced pursuant to requests made by the Town to such purchaser. In the event that the total principal amount of the BANs sold to such purchaser is not advanced to the Town, the principal amount of the BANs shall be reduced accordingly.

It shall not be necessary for the Town to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.

(b) In accordance with the Act and for the purpose of providing funds with which to pay the costs of the Project, and refunding the BANs, if issued, together with authorized expenses relating thereto including the costs of issuance of the Bonds, the Town shall issue and sell its sewage works revenue bonds, in one or more series, in the aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000). The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Sinking Fund referred to below, on a parity basis with the 2009 Bonds (if such 2009 Bonds are outstanding at the time of issuance of the Bonds).

The Bonds shall be designated as the "Town of Sellersburg, Indiana, Sewage Works Revenue Bonds, Series 20__" (with such further or different series designation as may be necessary or appropriate) and shall be issued in an aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000) on parity with the 2009 Bonds. The Bonds shall be issued as fully registered bonds in the denomination of One Dollar (\$1) each if sold to the Authority as part of the WWSRF Program and in the denomination of One Thousand Dollars (\$1,000) each (or such higher minimum denominations as the Clerk-Treasurer shall determine prior to the sale of the Bonds) if sold to another purchaser, and any integral multiple thereof not exceeding the aggregate principal amount of the 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%) per annum if sold to the Authority as a part of the WWSRF Program, or shall bear interest at a rate or rates not exceeding

five percent (5%) per annum if sold to any other purchaser (the exact rate or rates to be determined by negotiation with the WWSRF Program, or by bidding, as the case may be). Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360) day year (or on the basis of a three hundred sixty-five (365) day year, if required by the purchaser of the Bonds) and shall be payable semiannually on January 1 and July 1 in each year (each an "Interest Payment Date"), commencing no earlier than the first January or July following the Bond closing (with the first Interest Payment Date to be certified by the Clerk-Treasurer in the Clerk-Treasurer's Certificate (as hereinafter defined)), until principal is fully paid. The principal of the Bonds shall mature semiannually on January 1 and July 1 of each year beginning no earlier than the first January or July following the Bond closing, and ending no later than thirty-five (35) years from the dated date of the Bonds. The final principal payment schedule for the Bonds shall be set forth in the Clerk-Treasurer's Certificate prior to the sale of the Bonds; provided, however, that any Bonds sold to the Authority as part of its WWSRF Program shall mature semi-annually on January 1 and July 1, or be subject to mandatory sinking fund redemption on January 1 and July 1, over a period ending no later than thirty-five (35) years after substantial completion of the Project (as determined under the Financial Assistance Agreement), and in such amounts as will allow the Town to meet the coverage and/or amortization requirements of the WWSRF Program, with such debt service schedules to be finalized and set forth in the Financial Assistance Agreement.

The BANs and the Bonds shall bear an original issue date which shall be the date of issuance of the BANs and the Bonds, and each BAN and Bond shall also bear the date of its authentication. Any BAN or Bond authenticated on or before the fifteenth day of the calendar month immediately preceding the first Interest Payment Date shall pay interest from its original issue date; provided, however, that interest on any BANs or Bonds sold to the Authority as part of its WWSRF Program shall be payable from the date or dates of payment made by the Authority as part of its purchase of the Bonds pursuant to the Financial Assistance Agreement. Any BAN or Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such BAN or Bond to which interest thereon has been paid or duly provided for, unless such BAN or Bond is authenticated after the day which is the fifteenth day of the calendar month immediately preceding 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 Clerk-Treasurer is hereby authorized to contract with a qualified financial institution to serve as registrar and paying agent for the BANs and the Bonds (the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"). The Registrar and Paying Agent shall be charged with and shall by appropriate agreement undertake the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the BANs and the Bonds. The Clerk-Treasurer is authorized and directed to enter into such agreements and understandings with the Registrar and Paying Agent and any subsequent Registrar and Paying Agent as will enable and facilitate the performance of its duties and responsibilities, and is authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, and such fees may be paid from the Sinking Fund created by this Ordinance.

If the BANs and the Bonds are registered in the name of any purchaser that does not object to such designation, the Clerk-Treasurer shall be designated as the Registrar and Paying Agent and

shall be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

The Registrar and Paying Agent, if not the Clerk-Treasurer, may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the Town and by first-class mail to each registered owner of the BANs and the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the Town. Any such notice to the Town may be served personally or sent by certified mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Town, in which event the Town may appoint a successor Registrar and Paying Agent. The Town shall notify each registered owner of BANs and Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the BANs and the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor Registrar and Paying Agent shall deliver all of the BANs and the Bonds and cash in its possession with respect thereto, together with the registration books, to the successor Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to act on behalf of the Town with regard to any of the aforementioned actions of the Town relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent.

If the BANs or Bonds are sold to the Authority as part of its WWSRF Program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority as part of its WWSRF Program is the owner of the BANs or Bonds, such BANs or Bonds shall be presented for payment as directed by the Authority.

If the BANs or Bonds are not sold to the Authority as part of its WWSRF Program or if wire transfer payment is not required, principal of and any redemption premium on the BANs or the Bonds shall be payable at the principal office of the Paying Agent. Interest on the BANs and the 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 fifteenth (15th) day of the month immediately preceding 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 BANs and 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 BAN and 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 BAN or 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 BAN/Bond or BANs/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 BAN and Bond may be transferred or exchanged without cost to the registered owner, 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 BAN or Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such BAN or Bond for redemption. The Town, the Registrar and the Paying Agent may treat and consider the person in whose name any BAN or 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 BAN or Bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new BAN or Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed BAN or Bond, which new BAN or Bond shall be marked in a manner to distinguish it from the BAN or Bond for which it was issued; provided, that in the case of any mutilated BAN or Bond, such mutilated BAN or Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed BAN or 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 BAN or Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate BAN or Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated BAN or Bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed BAN or Bond. The Town and the Registrar and Paying Agent may charge the owner of any such BAN or Bond with their reasonable fees and expenses in connection with the above. Every substitute BAN or Bond issued by reason of any BAN or Bond being lost, stolen or destroyed shall, with respect to such BAN or Bond, constitute a substitute contractual obligation of the Town pursuant to this Ordinance, whether or not the lost, stolen or destroyed BAN or 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 BANs or Bonds duly issued hereunder.

In the event that any BAN or 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 BAN or Bond or the redemption price thereof, as appropriate, and thereafter the owner of such BAN or 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.

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

Section 4. Optional Redemption of the Bonds and BANs; Term Bonds. The Bonds shall be subject to redemption at the option of the Town, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the Town and by lot within any such maturity or maturities in such manner as may be designated by the Registrar), at times to be determined by the Clerk-Treasurer with the advice of Baker Tilly Municipal Advisors, LLC, the municipal advisor of the Town (the "Municipal Advisor") and set forth in the Clerk-Treasurer's Certificate; provided, that Bonds sold to the Authority as part of its WWSRF Program shall be redeemable not sooner than ten (10) years after their date of delivery and in inverse order of maturity; provided, further, that if the Bonds are sold to the WWSRF Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the Town unless and until consented to by the Authority. Written notice of redemption shall be provided at least thirty (30) days in advance to the registered owner or owners of the Bonds to be redeemed, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest on the Bonds so redeemed to the redemption date, and at a premium, if any, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate, not in excess of one percent (1%) of the par amount of the Bonds to be redeemed or consistent with the terms of the WWSRF Program; provided, however, that such notice shall be provided at least sixty (60) days in advance if the Bonds are sold to the Authority as part of its WWSRF Program, to the registered owner as shown on the registration record of the Town as of the date which is sixty-five (65) days prior to the redemption date for such Bonds.

The BANs shall be subject to redemption at the option of the Town, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the Town and by lot within any such maturity or maturities in such manner as may be designated by the Registrar), at times one hundred and fifty (150) days after the dated date of the BANs, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate; provided, that if the BANs are sold to the WWSRF Program and registered in the name of the Authority, the BANs shall not be redeemable at the option of the Town unless and until consented to by the Authority. Written notice of redemption shall be provided at least twenty (20) days in advance to the registered owner or owners of the BANs to be redeemed, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest on the BANs so redeemed to the redemption date, and at a premium, if any, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor and set forth in the Clerk-Treasurer's Certificate.

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days (or sixty (60) days if the Bonds are sold to the Authority as part of its WWSRF Program) prior to the scheduled redemption date to each of the registered owners of the Bonds or BANs called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond or BAN shall not affect the validity of the proceedings for the redemption of any other Bonds or BANs. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the Bonds or BANs called for redemption. The place of redemption may be at the principal corporate trust office of the Registrar and Paying Agent or as otherwise determined by the Town.

Interest on the Bonds or BANs (or portions thereof) 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 Bonds or BANs (or portions thereof) are presented for payment. Any Bond or BAN redeemed in part may be exchanged for a Bond or Bonds of the same maturity in authorized denominations equal to the remaining principal amount thereof.

Upon the payment of the redemption price of the Bonds or BANs (or portions thereof) 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, if any, identifying, by issue and maturity, the Bonds (or portions thereof) being redeemed with the proceeds of such check or other transfer.

As determined by the successful bidder for the Bonds or BANs, all or a portion of the Bonds or BANs may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities on January 1 and July 1 in the years determined by the winning bidder as set forth in the certificate of the Town concerning the award of the Bonds (the "Award Certificate").

In the event that the winning bidder opts to aggregate certain Bonds or BANs into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on the first day of January and July of each year and in the principal amount all as set forth in the Award Certificate if the Bonds or BANs are sold by public sale.

The Registrar shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any Bonds of such maturity purchased for cancellation by the Town and canceled by the Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond or BAN so purchased shall be credited by the Registrar at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in inverse order of mandatory sinking fund redemption (or final maturity) dates, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly.

The Registrar shall determine by lot (treating each minimum authorized denomination of each Bond as a separate Bond for such purpose) the Bonds or BANs within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on the first day of the calendar month selected by the Clerk-Treasurer of each year.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in this Section 4 of this Ordinance.

Section 5. Execution and Authentication of the Bonds and BANs. The BANs and Bonds shall be executed in the name of the Town by the manual or facsimile signature of the Town Council President and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall cause the seal, if any, of the Town or a facsimile thereof to be affixed to each of the BANs and Bonds. The BAN and Bonds shall be authenticated by the manual signature of the Registrar, and no BAN or 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 BAN or Bond shall cease to be such official before the delivery of such BAN or 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 BANs and Bonds, the BANs and Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

The Bonds may, in compliance with all applicable laws, 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"). The Town and Registrar may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of the Depository Trust Company; (2) the Clearing Agency in whose name such 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 Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of, premium, if any, on and interest on such 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 Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal, premium, if any, or interest on any Bonds, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond called for partial redemption 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; and (5) notwithstanding anything in this Ordinance to the contrary, payment of the principal of and interest on the Bonds may be made by wire transfer or other method acceptable to the Clearing Agency, as indicated in the Clerk-Treasurer's Certificate.

If either (i) the Town receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds, or (ii) the Town elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds, then the Town and 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 Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the Town.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar and Paying Agent 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 owners of the Bonds as of a record date selected by the Registrar and Paying Agent. For purposes of determining whether the consent, advice, direction or demand of a Registered Owner of the Bond has been obtained, the Registrar or Paying Agent shall be entitled to treat the beneficial owners of the Bonds as the Bondholders.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Clerk-Treasurer and/or the Registrar are authorized to enter into a Letter of Representations agreement with the Clearing Agency, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth herein.

Section 6. Security and Sources of Payment for the Bonds and BANs. The Bonds and BANs, as and to the extent paid for and delivered to the purchaser thereof, together with any other bonds issued on a parity therewith (to be referred to hereinafter collectively as the "bonds," unless the context otherwise requires), as to both principal and interest (as to the interest portion only for the BANs), shall be valid and binding special revenue obligations of the Town, payable solely from and secured by an irrevocable pledge of and constituting a charge upon all of the Net Revenues (herein defined as gross revenues of the Sewage Works, including System Development Charges (as hereafter defined), of the Town remaining after the payment of the reasonable expenses of operation, repair and maintenance excluding transfers from payment in lieu of property taxes) derived from the Sewage Works, on a parity with the 2009 Bonds (if such 2009 Bonds are outstanding at the time of issuance of the Bonds), including all such net revenues from the existing works, the Project and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside into the Sinking Fund as herein provided. For purposes of this Ordinance, "System Development Charges" shall mean the proceeds and balances from any System Development Charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this Ordinance. The Town shall not be obligated to pay the Bonds or BANs or the interest thereon except from the Net Revenues of the Sewage Works, and the Bonds or BANs 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 Bonds or BANs. The form and tenor of the Bonds shall be substantially as follows (with all blanks to be properly completed prior to the preparation of the Bonds):

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF INDIANA, COUNTY OF CLARK
TOWN OF SELLERSBURG, INDIANA
SEWAGE WORKS REVENUE BOND, SERIES 20__

No. __R-1

Interest
Rate

Maturity
Date

Original
Date

Authentication
Date

%

Registered Owner:

Principal Amount:

The Town of Sellersburg (the "Town"), in Clark County, State of Indiana, 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 specified above, [or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, or its assigns,] on [the Maturity Date specified above] **OR** [January or July 1 in the years and in the amounts as set forth on Schedule A attached hereto] (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 fully paid at the Interest Rate per annum specified above from [the dates of payment made on this Bond] **OR** [the interest payment date to which interest has been paid or duly provided for next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, and unless this bond is authenticated on or before _____ 15, 20____, in which case it shall bear interest from the Original Date, which interest is payable] commencing on _____ 1, 20____, and semiannually on each January 1 and July 1 until maturity. Interest shall be calculated on the basis of twelve (12) thirty day months for a three hundred sixty (360) day year.

[The principal of and premium, if any, on this bond are payable at the office of the Clerk-Treasurer of the Town, acting as registrar and paying agent, or of any successor registrar and paying agent appointed under the Ordinance defined and described herein (the "Registrar" and the "Paying Agent").] [Principal and] Interest hereon will be paid by [cash or draft mailed or delivered] **OR** [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority (the "Authority") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the Registered Owner hereof at the address as it appears on the registration books of the Registrar as of the fifteenth day of the month immediately preceding the applicable interest payment date or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Notwithstanding the foregoing, if payment of principal and interest is to be made to a depository, payment shall be made by wire transfer on the payment date in same day funds. All payments on this bond 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 and private debts.

[Notwithstanding the foregoing, if payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds.]

THE TOWN IS NOT AND SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND EXCEPT FROM THE HEREINAFTER DESCRIBED SINKING FUND, AND NEITHER THIS BOND NOR ANY OTHER BOND OF THIS ISSUE SHALL CONSTITUTE AN INDEBTEDNESS OF THE TOWN WITHIN THE MEANING OF THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

This bond is one of an authorized issue of bonds of the Town in the total amount of _____ Dollars (\$_____) numbered __R-1, issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the sewage works of the Town and all expenses necessarily incurred in connection with the issuance of such bonds, as authorized by an ordinance adopted by the Town Council of the Town on the __ day of _____, 20__,

entitled "An ordinance authorizing the acquisition, construction and installation by the Town of Sellersburg, Indiana, of certain extensions and improvements to the Town's sewage works, the issuance and sale of revenue bonds to provide funds for the payment of the costs thereof, and the collection, segregation and distribution of the revenues of such sewage works and other related matters" (the "Ordinance"), and in strict compliance with the provisions of the Indiana Code, Title 8, Article 1.5, and the laws amendatory thereof and supplemental thereto (the "Act").

This bond is issuable only in fully registered form in the denomination of [One Dollar (\$1)] [_____ Dollars (\$_____)] or any integral multiple thereof not exceeding the aggregate principal amount of the bonds of this issue maturing in any one year.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of this issue, together with the 2009 Bonds (as defined in the Ordinance) and any bonds hereafter issued ranking on a parity therewith, are payable solely from the "Sewage Works Sinking Fund" created by the Ordinance (the "Sinking Fund") to be provided from the Net Revenues (herein defined as gross revenues of the sewage works of the Town, inclusive of System Development Charges (as defined in the Ordinance), of the Town remaining after the payment of the reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] **OR** [operation, repair and maintenance of the sewage works], excluding transfers from payment in lieu of property taxes) of the sewage works of the Town, and rank on a parity basis with the 2009 Bonds.

The Town is not and shall not be obligated to pay this bond or the interest thereon except as provided and only from the sources described herein, and this bond does not and shall not constitute a corporate indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

[Reference is hereby made to the Financial Assistance Agreement ("Financial Assistance Agreement") between the Town and the Authority concerning certain terms and covenants pertaining to the Sewage Works project and the purchase of this Bond as part of the wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10.]

The Town covenants that it shall, to the fullest extent permitted by law, establish, fix, maintain and collect reasonable and just rates and charges for the use of and the services rendered by its sewage works so that such rates and charges will provide revenues at least sufficient in each year to (a) pay all the legal and other necessary expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] **OR** [operation, repair, replacements and maintenance] of the sewage works; (b) provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) provide a debt service reserve on bonds or other obligations, including leases, as required by the terms of such obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements; (f) provide money for the payment of any taxes that may be assessed against the sewage works; and (g) comply with and satisfy all covenants contained in the Ordinance and any Financial Assistance Agreement, and that it will, in all other respects, faithfully comply with all provisions of the Act pursuant to which this bond is issued. In the event the Town shall make any default in the payment of the principal of or interest on this bond, the Registered Owner of this bond may, by action or other proceeding, compel performance of all duties required by the Act of the Town or any officer of the Town including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the sewage works, the segregation of the income and revenues of the sewage works, and the application of the revenues and the respective funds and accounts as specified in the Ordinance.

The Town further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of the Sewage Works to meet (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 all 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 lien upon all the Net Revenues of the sewage works on a parity with the 2009 Bonds (as defined in the Ordinance) and other Parity Bonds (as defined in the Ordinance).

[The bonds of this issue maturing on or after _____ 1, 20__, are subject to redemption prior to maturity, at the option of the Town, in whole or in part, on _____ 1, _____, or on any date thereafter, in principal amounts selected by the Town and in [inverse order of maturity] [order of maturity selected by the Town] and by lot within any such maturity or maturities by the Registrar at a redemption price equal to _____ percent (____%) of the principal amount of each bond to be redeemed, plus accrued interest to the date of redemption; provided, that if the Bonds are sold to the WWSRF Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the Town unless and until consented to by the Authority.]

[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 January 1 or July 1 on the dates and in the amounts set forth below:

Date	Term Bond	Amount]
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Notice of any such redemption shall be sent by registered or certified mail to the Registered Owner of this bond not less than [thirty (30)] [sixty (60)] days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and in case of partial redemption, the respective principal amounts) of the bonds called for redemption. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption to pay the redemption price on the redemption date or when presented for payment.

Prior to the date fixed for redemption, funds shall be deposited with the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds to the payment of, the bonds or portions thereof called, together with accrued interest thereon to the redemption date, and any required premium. No payment shall be made by the Paying Agent upon any bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by the Ordinance with respect to any mutilated, lost, stolen or destroyed bond.

If this bond shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal and the premium, if any, and interest so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient monies, 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 monies for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient monies for such purpose, 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 this bond or such portion hereof shall no longer be deemed outstanding, entitled to the pledge of the Net Revenues of the sewage works or an obligation of the Town.

[The bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Letter of

Representations between the Town and the Depository Trust Company, or any substitute agreement, affecting such Book Entry System.]

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 bond or the redemption price, as appropriate, and thereafter the Registered Owner 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.

All bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed and shall not be reissued, and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Registrar to the Town; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any bond without charge to the holder thereof.

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of the issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is 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 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 or her 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. This bond may be transferred or exchanged without cost to the Registered Owner or his 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 exchange or transfer of this bond (i) during the fifteen (15) days immediately preceding an interest payment date on this bond, or (ii) after the mailing of any notice calling this bond for redemption. The Town, the Registrar and the 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 the redemption premium, if any, and interest due hereon.

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

In the manner provided in the Ordinance, the Ordinance and the rights and obligations of the Town and the owners of the bonds of this issue authorized thereunder, including this bond, may (with certain exceptions as stated in the Ordinance) be modified or amended with the consent of the owners of at least

sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of such bonds, exclusive of any such bonds which may be owned by the Town.

The bonds authorized and issued pursuant to the Ordinance, including this bond, are 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.

The Town, the Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the interest due hereon and for all other purposes, and none of the Town, the Registrar or the Paying Agent shall be affected by any notice to the contrary.

This bond shall not be valid or become obligatory for any purpose or entitled to any security or benefit under the Ordinance unless and until the certificate of authentication hereon shall have been executed by a duly authorized representative of the Registrar.

The Town hereby certifies, recites and declares that all acts, conditions and things required to be done precedent to and in the preparation, execution, issuance and delivery of this bond have been done and performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Town of Sellersburg, in Clark County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Town Council President, and its corporate seal be hereunto affixed and attested by the manual or facsimile signature of its Clerk-Treasurer.

TOWN OF SELLERSBURG, INDIANA

By: Brad J. Amor
President of Town Council

(Seal of the Town)

ATTEST:

Michelle D. Miller
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Town of Sellersburg, Indiana, Sewage Works Revenue Bonds, Series 20__, described in the within-mentioned Ordinance.

_____, as Registrar

By: _____
[Authorized Officer]

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 an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

[Exhibit A]
[Date Principal Amount]

[End of Form of Bond]

The Town Council President and the Clerk-Treasurer are hereby authorized to determine the form of the BANs.

Section 8. Issuance, Sale and Delivery of the Bonds.

(a) Generally. The Clerk-Treasurer is hereby authorized and directed to have the Bonds or BANs prepared, and the Town Council President and the Clerk-Treasurer are each hereby authorized and directed to execute the Bonds or BANs in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds or BANs to the purchaser or purchasers thereof after sale made in accordance with the provisions of the Act and this Ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser or purchasers have agreed to pay therefor, which shall be not less than ninety-nine percent (99%) of the par amount of the Bonds or BANs, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Bonds or BANs shall be and are hereby set aside for application to the costs of the Project, together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds or BANs. 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. The Town may receive payment for the Bonds or BANs in installments. The Bonds or BANs, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues of the Sewage Works to be set aside into the Sinking Fund as provided herein.

(b) Issuance, Sale and Delivery of the Bonds or BANs.

(i) Public Sale. If the Bonds or BANs are sold by public sale, then prior to the sale of the Bonds or BANs, the Clerk-Treasurer shall cause to be published a notice of intent to sell once each week for two (2) weeks in The News and Tribune (or a newspaper circulated in the Town) and the Indianapolis Business Journal. The notice of such sale or a summary thereof may also be published in the Bond Buyer, a financial journal published in the Town and State of New York and/or in other publications, in the discretion of the Clerk-Treasurer. The notice must state that any person interested in submitting a bid for the Bonds or BANs may furnish in writing, at the address set forth in the notice, the person's name, address, and telephone number, and that any such person may also furnish a telex number. The notice must also state: (1) the amount of the Bonds or BANs to be offered; (2) the denominations; (3) the dates of maturity; (4) the maximum rate or rates of interest; (5) the place of sale; and (6) the time within which the name, address and telephone number must be furnished, which must not be less than seven days after the last publication of the notice. Each person so registered shall be notified of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex if the person furnishes a telex number. Such notice may also include such other information as the Clerk-Treasurer shall deem necessary. Such notice shall also provide, among other things, that each bid shall, unless waived, be accompanied by a certified or cashier's check or financial surety bond in an amount equal to one percent (1%) of the principal amount of the Bonds or BANs 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 Bonds or BANs as soon as the Bonds or BANs are ready for delivery, or at the time fixed in the notice of intent to sell, then such check or financial surety bond 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 Bonds or BANs sold at public sale shall be sealed and shall be presented to the Clerk-Treasurer at the Clerk-Treasurer's office, and the Clerk-Treasurer shall continue to receive all bids offered until the hour fixed for the sale of the Bonds or BANs, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the Bonds or BANs shall be required to name the rate or rates of interest which the Bonds or BANs are to bear, not exceeding five percent (5%) per annum for the Bonds and four percent (4%) per annum for the BANs. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds or BANs bearing each

rate, and all the Bonds or BANs maturing on the same date shall bear the same rate of interest. The interest rate on Bonds or BANs of a given maturity must be at least as great as the interest rate on Bonds of any earlier maturity. Subject to the provisions set forth below, the Clerk-Treasurer shall award the Bonds or BANs to the bidder offering the lowest net interest cost to the Town, to be determined by computing the total interest on all of the Bonds or BANs from the date thereof to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. No bid for less than ninety-nine percent (99%) of the par value of the Bonds (or such higher percentage of the par value of the Bonds or BANs as the Clerk-Treasurer, with the advice of the Municipal Advisor to the Town, shall determine prior to the publication of the notice of intent to sell, to be reflected in the Clerk-Treasurer's Certificate), plus accrued interest at the rate or rates named to the date of delivery, will be considered. The Clerk-Treasurer shall have full right to reject any and all bids. In the event no acceptable bid is received at the time fixed for the sale of the Bonds or BANs, the Clerk-Treasurer shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed thirty (30) days, without readvertising, pursuant to Indiana law.

The Clerk-Treasurer is hereby authorized to determine, in her discretion, to sell the Bonds or BANs pursuant to the general provisions of Indiana Code 5-1-11 (rather than Section 2(b) thereof), and in the event of such a determination, those portions of this Section 8 which conflict with such provisions shall be deemed inapplicable.

(ii) Sale to the Authority. As an alternative to public sale, the Clerk-Treasurer may negotiate the sale of the BANs or Bonds to the Authority as part of its WWSRF Program. The Town Council President and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Authority as part of its WWSRF Program, (ii) execute a Financial Assistance Agreement with the Authority with terms conforming to this Ordinance, and (iii) sell such BANs or Bonds upon such terms as are acceptable to the Town Council President and the Clerk-Treasurer consistent with the terms of this Ordinance. The substantially final form of Financial Assistance Agreement attached hereto and incorporated herein by reference is hereby approved by this Town Council, and the Town Council President and Clerk-Treasurer are hereby authorized to execute and deliver the same, and to approve any changes in form or substance to the Financial Assistance Agreement which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by such execution.

(c) Credit Enhancement; Opinion of Bond Counsel. Prior to the delivery of the BANs or Bonds, the Clerk-Treasurer, subject to the direction of the President of the Town Council, (i) shall be authorized to investigate, negotiate and obtain bond insurance, other forms of credit enhancement and/or credit ratings on the BANs or Bonds and (ii) shall obtain a legal opinion as to the validity of the BANs or Bonds from, if necessary, Frost Brown Todd LLC, Indianapolis, Indiana, bond counsel for the Town, with such opinion to be furnished to the purchaser of the BANs or Bonds at the expense of the Town. The costs of obtaining any such insurance, other credit enhancement 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 BANs or Bonds, shall be considered as a part of the cost of the Project and shall be paid out of the proceeds of the BANs or Bonds.

Section 9. Disposition of Proceeds of the BANs and Bonds; Town of Sellersburg, 2020 Sewage Works Construction Account. The proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds, shall be deposited in a bank or banks which are legally qualified depositories for the funds of the Town, in a special account to be designated as "Town of Sellersburg, 2020 Sewage Works Construction Account" (the "Construction Account"). Amounts in the Construction Account shall be expended only for the purpose of paying the costs of the Project, as described in this Ordinance and in the Act, together with the incidental expenses incurred in connection with the Project and the costs of issuance of the BANs and Bonds, and as otherwise permitted or required by the Act. Any balance or balances remaining unexpended in the Construction Account after completion of the Project which are not required to meet unpaid obligations incurred in connection with the acquisition or construction of the Project shall be used solely for one or more of the purposes permitted under the provisions of Indiana Code 5-1-13, as amended. Pursuant to the Act, the owners of the Bonds shall be entitled to a lien on the proceeds of the Bonds until such proceeds are applied as required by this Ordinance and by Indiana law.

With respect to any BANs or Bonds sold to the Authority as part of its WWSRF Program, to the extent that (a) the total principal amount of the BANs or Bonds is not paid by the purchaser or drawn down by the Town, or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Authority), the Town shall reduce the principal amount of the remaining BANs or Bond maturities to effect such reduction in amounts which will still achieve the annual debt service as described in Section 2 subject to and upon the terms set forth in the Financial Assistance Agreement.

The Town Council hereby declares its official intent to reimburse any expenditures related to the Project and the Bonds or BANs with proceeds of debt to be incurred by the Town for the purposes set forth herein and for reimbursing costs of financing the Project and the Bonds or BANs.

Section 10. Pledge of Net Revenues. The interest on and the principal of the Bonds issued pursuant to the provisions of this Ordinance, 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 and Parity Bonds, to the extent necessary for that purpose.

Section 11. Revenue Fund. There is hereby continued a fund to be known as the "Sewage Works Revenue Fund" (the "Revenue Fund"), into which there shall be deposited upon receipt all income and revenues (including System Development Charges) derived from the operation of the sewage works and from the collection of rates and charges of the sewage works. The Revenue Fund shall be maintained separate and apart from all other accounts of the Town. From these 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 registrars and paying agents shall be paid, the reserve shall be funded and the costs of replacements, extensions, additions and improvements shall be paid. No monies derived from the revenues of the Sewage Works shall be transferred to the general fund of the Town or be used for any purpose not connected with the Sewage Works.

Section 12. Operation and Maintenance Fund. There is hereby continued a fund to be known as the "Operation and Maintenance Fund" (the "O&M Fund"). On the last day of each calendar month, a sufficient amount of revenues of the sewage works shall be transferred from the Revenue Fund to the O&M Fund. The balance maintained in the O&M Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two (2) calendar months. The monies credited to the O&M Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the monies in the O&M Fund shall be used for transfers for payment in lieu of property taxes, depreciation, replacements, improvements, extensions or additions of or to the sewage works. Any monies in said O&M Fund may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the sewage works, including the Parity Bonds.

Section 13. Sewage Works Sinking Fund.

(a) In General. There is hereby continued a special fund to be known as the "Sewage Works Sinking Fund" (herein, the "Sewage Works Sinking Fund" or "Sinking 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 bonds and any Parity Bonds. 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 hereby created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds, including the Parity Bonds, of the sewage works to their final maturity.

(b) Bond and Interest Account. There is hereby continued within the Sinking Fund an account to be known as the "Bond and Interest Account" (the "Bond and Interest Account"). 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 (i) at least one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and (ii) at least one-sixth (1/6) of the principal of all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment date 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 outstanding 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 monies to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. There is hereby continued within the Sinking Fund an account to be known as the "Reserve Account" (the "Reserve Account") and such account creates a reserve for the Bonds and all Parity Bonds. Upon the issuance of the Bonds, the Town may deposit funds on hand of the sewage works, Bond proceeds or a combination thereof into the Reserve Account. The Reserve Account may also be funded in whole or in part at any time from available cash on hand and also may be satisfied with cash, a qualified surety

bond or a combination thereof. To the extent that cash is held in the Reserve Account, the cash shall be completely drawn down before any demand is made on the surety bond. If no deposit is made or if the initial deposit does not cause the balance therein to equal the hereinafter defined Reserve Requirement, the Town shall deposit Net Revenues into the Reserve Account on the last day of each calendar month until the balance in the Reserve Account equals but does not exceed the least of: (i) the maximum annual debt service on the Bonds, the 2009 Bonds, and any Parity Bonds issued in the future by the Town which are payable from the Net Revenues of the sewage works (collectively, the "Parity Bonds"); (ii) one hundred twenty-five percent (125%) of average annual debt service on the Bonds and any Parity Bonds; or (iii) ten (10%) of the principal amount of the Bonds and any Parity Bonds ("Reserve Requirement"). If the Bonds are sold to the Authority as part of its WWSRF Program, the Reserve Requirement shall mean the maximum annual debt service on the Bonds, the 2009 Bonds and any Parity Bonds. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Bonds and any Parity Bonds, and the monies in the Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds to the extent that monies in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If monies in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on any Bonds or Parity Bonds, then this depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any amount in the Reserve Account in excess of the Reserve Requirement may be transferred to the Sewage Works Improvement Fund or be used for the purpose of purchasing outstanding bonds or paying installments of principal and interest of fully registered bonds.

Notwithstanding the forgoing, the Clerk-Treasurer, with the advice of the Municipal Advisor and Bond Counsel and with the prior written consent of the Authority if the Bonds are sold to the Authority as part of the WWSRF Program, may enable the Town to satisfy all or any part of its obligation to maintain an amount in the Reserve Account equal to the Reserve Requirement by depositing a Reserve Fund Credit Facility in the Reserve Account. A Reserve Fund Credit Facility is hereby defined as a letter of credit, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the Town, rated "AA" or higher, for the purpose of satisfying in whole or in part the Town's obligation to maintain the Reserve Requirement.

Section 14. Sewage Works Improvement Fund. There is hereby continued a special fund to be known as the "Sewage Works Improvement Fund" (the "Improvement Fund"). After meeting the requirements of the Sinking Fund and the O&M Fund, any excess revenues may be transferred or credited from the Revenue Fund to the Improvement Fund, and the Improvement Fund shall be used for improvements, replacements, extensions and additions to the sewage works or for any other lawful purpose authorized by this Ordinance, including the transfers of payment in lieu of property taxes. Monies in the Improvement Fund shall be transferred to the Sinking

Fund if necessary to prevent a default in the payment of principal of and interest on any then outstanding bonds of the sewage works, including any Parity Bonds, or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund (other than deficiencies caused during a time of permitted build-up in the Reserve Account following the issuance of Parity Bonds), or may be transferred to the O&M Fund to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Section 15. 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 monies 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 monies therein may be invested in obligations in accordance with the applicable laws, including particularly I.C. 5-13-9, IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (as applicable), and the acts amendatory thereof and supplemental thereto, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance. Nothing in this section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts created by this Ordinance, except that (a) the Sinking Fund and the Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the Sewage Works, and (b) the other Funds and Accounts of the Sewage Works shall be maintained as a separate bank account from the other funds and accounts of the Town.

Section 16. Trust Arrangement Authorized. If any Bonds are sold to the Authority as part of the WWSRF Program, the Sewage Works Sinking Fund and the Construction Account may be held by a financial institution acceptable to the Authority as a part of its WWSRF Program, pursuant to terms acceptable to the Authority. If the Sewage Works Sinking Fund and the accounts therein are held in trust, the Town shall transfer the monthly required amounts of Net Revenue in accordance with Section 13, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the Town's outstanding bonds. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for such Bonds. If the Construction Account is so held in trust, the Town shall deposit the proceeds of such Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Town Council hereby authorizes the Town Council President and the Clerk-Treasurer to execute and deliver an agreement with a financial institution to reflect this trust arrangement for all or a part of the Sewage Works Sinking Fund and the Construction Account in the form of trust agreement as approved by the Town Council President and the Clerk-Treasurer, consistent with the terms and provisions of this Ordinance.

Section 17. Investment of Funds. All of the amounts in the funds and accounts created pursuant to this Ordinance shall be deposited in lawful depositories of the State, and shall be continuously held and secured or invested as provided by the laws of Indiana relating to the depositing, securing, holding and investing of public funds, including particularly IC 5-13-9, IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (as applicable), and the acts amendatory thereof and supplemental thereto. The amounts in the Bond and Interest Account and all other funds and accounts created pursuant to this Ordinance shall be kept in separate bank accounts apart from all

other bank accounts of the Town. In no event shall any of the revenues of the Sewage Works be transferred or used for any purpose not authorized by this Ordinance so long as any of the bonds of the Sewage Works issued pursuant to the provisions of this Ordinance shall be outstanding. Investment income earned on monies in the funds and accounts established by this Ordinance shall become a part of the funds and accounts invested and shall be used only as provided in this Ordinance.

Section 18. Books of Records and Accounts. 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 and showing all revenues collected from said works and deposited in said funds, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sinking Fund and all other financial transactions relating to said works. There shall be prepared and furnished upon written request, to any owner of the Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the Clerk-Treasurer, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of at least five percent (5%) 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. If any Bonds are sold to the Authority as part of its WWSRF Program, the Town shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the sewage works in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrued basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 19. Rates and Charges. The Town, to the fullest extent permitted by law, shall establish, fix, maintain and collect reasonable and just rates and charges for the use of and the services rendered by the Sewage Works so that such rates and charges shall produce revenues at least sufficient (when determined including user and other charges, fees, income or revenues available to the Town, provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such are sufficient so long as the Bonds are outstanding and owned by the Authority as part of its WWSRF Program) in each year to (a) pay all the legal and other necessary expenses of (i) Operation and Maintenance (as defined in the Financial Assistance Agreement) if the Bonds are sold to the Authority as part of the WWSRF Program or (ii) operation, repair, replacements and maintenance of the Sewage Works if sold to any other purchaser; (b) provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) provide a debt service reserve on bonds or other obligations, including leases, as required by the terms of such obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements; (f) provide money for the payment of any taxes that may be assessed against the Sewage Works; and (g) to comply with and satisfy all covenants contained in this Ordinance and any Financial Assistance Agreement.

So long as any of the Bonds are outstanding, none of the facilities and services afforded by the Sewage Works shall be furnished without a reasonable and just charge being made therefor. The reasonable cost and value of any facility or service rendered to the Town, or to any department, agency, or instrumentality thereof by the Sewage Works by furnishing water for public purposes

or by maintaining hydrants and other facilities for fire protection shall be (i) charged against the Town; and (ii) paid for in monthly installments as the service accrues, out of the current revenues of the Town, collected or in the process of collection, and the tax levy of the Town made by it to raise money to meet its necessary current expenses. The revenue so received shall be deemed to be revenue derived from the operation of the Sewage Works and shall be used and accounted for in the same manner as other revenues derived from the operation of the Sewage Works.

Section 20. Defeasance. If, when the bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the bonds 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 then outstanding shall be paid; or (i) sufficient monies, 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 monies, 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 monies, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's Sewage Works.

Section 21. Additional Bonds. The Town reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Sewage Works, ranking on a parity with the Bonds authorized by this Ordinance, the 2009 Bonds and any Parity Bonds, for the purpose of financing the cost of future additions, extensions and improvements to the Sewage Works, or for refunding all or a portion of the Bonds or any bonds ranking on a parity with the Bonds, subject to the following conditions:

(a) The interest on and principal of all bonds or other obligations payable from the Net Revenues of the Sewage Works shall have been paid to date in accordance with the terms thereof, and all credits required to be made into the Sewage Works Sinking Fund and the accounts thereof shall have been made to date.

(b) The amount of 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 rates and charges of the sewage works shall be increased sufficiently so that said increased rates and charges applied to the previous 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 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 prepared by a certified public accountant employed by the Town for that purpose. In addition, for purposes of this subsection, with respect to any Parity Bonds hereafter issued while the Bonds remain outstanding and owned by the Authority as part of its WWSRF Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as

part of the Net Revenues or otherwise consents to the issuance of such Parity Bonds without satisfying this subsection (b).

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

(d) If the Bonds are sold to the Authority as part of its WWSRF Program, (i) the Town obtains the consent of the Authority, and (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 the Town is in compliance with its sewage works permits, except for non-compliance for which purpose the Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

(e) The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 13 of this Ordinance.

Section 22. Additional Covenants of the Town. For the purpose of further safeguarding the interests of the owners 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 an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said additions and improvements shall be constructed under the supervision and subject to the approval of the Consulting Engineers or such other competent engineer as shall be designated by the Town Council. All estimates for work done or material furnished shall first be checked by the Consulting Engineers and approved by the Town Council.

(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 coverage acceptable to the Authority if any Bonds are sold to or owned by the Authority as part of its WWSRF Program, 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 and condemnation awards shall be used in replacing or repairing the property destroyed or damaged, unless the Authority shall consent to a different use of such proceeds or awards if any Bonds are sold to or are owned by the Authority as part of its WWSRF

Program, or, if no Bonds are sold to or are owned by the Authority as part of its WWSRF Program and such proceeds or awards are not used for such purposes, such proceeds or awards shall be treated and applied as Net Revenues of the works.

(e) So long as any of the Bonds are outstanding, 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 to replace equipment which may become worn out or obsolete, and if any Bonds are sold to the Authority as part of its WWSRF Program or if the Authority is the holder of any of the Parity Bonds, provided that the Town shall obtain the prior written consent of the Authority.

(f) If any Bonds are sold to the Authority as part of its WWSRF Program, and, except as otherwise specifically provided in Section 21 hereof, the Town shall not without the prior written consent of the Authority (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the Sewage Works other than for normal operating expenditures or (ii) borrow any money (including without limitation any loan from other utilities operated by the Town) in connection with the Sewage Works.

(g) Except as hereinbefore provided in Section 21 hereof, so long as any of the bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the 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 20 hereof coincidentally with the delivery of such additional bonds or other obligations.

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

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds for the uses and purposes herein set forth and, so long as any of the Bonds are outstanding, the provisions of this Ordinance shall also be construed to create a trust in the Net Revenues of the Sewage Works herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of such Fund as set forth in this Ordinance. The owners of the Bonds shall have all of the rights, remedies and privileges provided in the Act and under Indiana law, including the right to have a receiver appointed to administer said Sewage Works 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 in respect to any of the provisions of this Ordinance or the Act.

(j) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Bonds, all of the terms of which shall be enforceable at law or in equity, and after the issuance of the Bonds this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights and interests of the owners of the Bonds, and the Town Council of the Town shall not adopt any law, ordinance or resolution which in any way would adversely affect the rights of such owners so long as any of the principal of or interest on the Bonds remains unpaid. Except with respect to

amendments described in Section 25(a)-(g) hereof, however, this Ordinance may be amended pursuant to Section 25 (i) without the consent of the owners of the Bonds if, among other things, the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds, and (ii) as otherwise permitted pursuant to Section 25; provided, however, that if any Bonds are sold to and owned by the Authority as part of its WWSRF Program, the Town shall obtain the prior written consent of the Authority.

(k) For purpose of this Section 22, the term “lease” shall include any lease, contract, or other instrument conferring a right upon the Town to use property in exchange for a periodic payments made from the revenues of the Sewage Works, whether the Town desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

Section 23. Permitted Actions Relating to Preservation of Exclusion of Interest from Federal Gross Income. (a) The Clerk-Treasurer is hereby authorized to invest monies pursuant to the provisions of this Ordinance at a restricted yield (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the bonds, or the tax exempt status of interest on the bonds, under federal law.

(b) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from monies held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Clerk-Treasurer 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 or exemption.

Section 24. Tax Covenants. 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 the 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. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(c) The Town will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause or permit to fail to be taken by it or by any party under its control, 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 Code, nor will the Town act in any other manner which would adversely affect such exclusion. The Town further covenants that it will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the Bonds.

(d) The Town will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond proceeds or other monies treated as Bond proceeds to the federal government and will set aside such monies in a Rebate Account to be held by the Clerk-Treasurer in trust for such purpose.

(e) All officials, officers, members, employees and agents of the Town are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Town as of the date that the Bonds are issued, and to make covenants on behalf of the Town evidencing the commitments made herein and to do all such other acts necessary or appropriate to carry out this Ordinance. In particular and without limiting the foregoing, any and all appropriate officials, officers, members, employees and agents of the Town are authorized to certify and/or enter into covenants on behalf of the Town regarding (i) the facts and circumstances and reasonable expectations of the Town as of the date that the Bonds are issued and (ii) the commitments made herein by the Town regarding the amount and use of the proceeds of the Bonds.

(f) The Clerk-Treasurer is hereby authorized to employ consultants and attorneys from time to time to advise the Town with respect to the requirements under federal law for the continuing preservation of the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, as described in this Section 24.

Section 25. Supplemental Ordinances. Without notice to or consent of the owners of the bonds herein authorized, the Town may, from time to time and at any time, adopt an ordinance or ordinances supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

(i) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance or to make any other change authorized herein;

(ii) To grant to or confer upon the owners of the bonds herein authorized any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the bonds herein authorized or to make any change which, in the judgment of the Town, is not to the prejudice of the owners of the bonds herein authorized;

(iii) To modify, amend or supplement this Ordinance to permit the qualification of the bonds herein authorized for sale under the securities laws of the United States of America or of any of the states of the United States of America or to obtain or maintain bond insurance with respect to payments of principal of and interest on bonds herein authorized;

(iv) To provide for the refunding or advance refunding of the bonds herein authorized;

(v) To procure a rating on the bonds herein authorized from a nationally recognized securities rating agency or agencies designated in such supplemental ordinance if such supplemental ordinance will not adversely affect the owners of the bonds herein authorized; and

(vi) Any other purpose which, in the judgment of the Town, does not adversely affect the interests of the owners of the bonds herein authorized.

Subject to the terms and provisions contained in this Section 25, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that if any Bonds are sold to the Authority as part of its WWSRF Program, the Town shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any bond issued pursuant to this Ordinance; or

(b) A reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the 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 Parity Bonds, bond or bonds issued pursuant to the provisions of this Ordinance; or

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

(f) The extension of mandatory sinking fund redemption dates, if any; or

(g) A reduction in the Reserve Requirement.

The owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer. No owner of any bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Town and all owners of bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the Town and of the owners of the bonds authorized by this Ordinance, and the terms and provisions of the bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the bonds issued pursuant to this Ordinance then outstanding.

Section 26. Repeal of Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed but none of the provisions of this ordinance shall be construed as adversely affecting the rights of holders of the other Parity Bonds.

Section 27. Compliance with Tax Sections. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance ("Tax Sections") which are designed to preserve the tax exempt status of interest on the Bonds or 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.

Section 28. Qualified Tax-Exempt Obligations. The BANs are hereby designated as "qualified tax-exempt obligations" for the purposes of Paragraph (3) of Section 265(b) of the Code, and any or all officials, officers, members, employees and agents of the Town are hereby authorized to execute on behalf of the Town any documents necessary or appropriate to evidence further such designation. The reasonably anticipated amount of "tax-exempt obligations" (as such term is used in Section 265(b) of the Code) (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Town or otherwise on behalf of the Town or subordinate entities during calendar year 2020 will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Town or otherwise on behalf of the Town or subordinate entities have been or shall be designated "qualified tax-exempt obligations" during calendar year 2020. The designation set forth in this Section 28 as to the BANs may be revoked by the Clerk-Treasurer in the Clerk-Treasurer's Certificate.

Section 29. Clerk-Treasurer's Certificate. The Clerk-Treasurer shall, prior to the sale of the Bonds, set forth in a certificate (the "Clerk-Treasurer's Certificate") the first Interest Payment Date, the principal payment schedule for the Bonds, the percentage of par at which the Bonds shall be sold and any other matters required by this Ordinance to be provided in the Clerk-Treasurer's Certificate.

Section 30. Disclosure. The Bonds (other than Bonds sold to the Authority as part of its WWSRF Program) may, to the extent required by law, be offered and sold pursuant to an Official Statement with respect to the Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. The Town Council hereby authorizes the Town Council President and Clerk-Treasurer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the Town; (b) on behalf of the Town, to designate the Preliminary Official Statement a "final" Official Statement with respect to the Bonds, subject to completion as permitted by and otherwise pursuant to the Rule; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule. The Town Council President and the Clerk-Treasurer are further authorized to execute an agreement in connection with the offering of the Bonds in accordance with the Rule by which the Town agrees to undertake such continuing disclosure obligations as may be required under the Rule.

Section 31. Further Actions. The Town Council hereby requests, authorizes and directs the Town Manager, Town Council President and the Clerk-Treasurer, and all official, officers, members, employees and agents of the Town, and each of them, for and on behalf of the Town, to prepare, execute and deliver any and all other instruments, letters, certificates, agreements and documents as are determined to be necessary or appropriate to consummate the transactions contemplated by this Ordinance, and such determination shall be conclusively evidenced by the execution thereof. The instruments, letters, certificates, agreements and documents necessary or appropriate to consummate the transactions contemplated by this Ordinance shall, upon execution, as contemplated herein, constitute the valid and binding obligations or representations and warranties of the Town, the full performance and satisfaction of which by the Town is hereby authorized and directed.

Section 32. Payments on Holidays. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the Town or the Town in which the Registrar and Paying Agent is located 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 date.

Section 33. Partial Invalidity. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 34. 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 35. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

ALL OF WHICH IS PASSED AND ADOPTED THIS 10th DAY OF August,
2020, BY THE TOWN COUNCIL OF THE TOWN OF SELLERSBURG, CLARK
COUNTY, INDIANA.

TOWN COUNCIL OF THE TOWN OF
SELLERSBURG, INDIANA



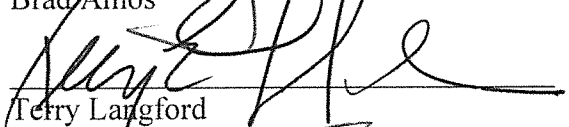
Scott McVoy



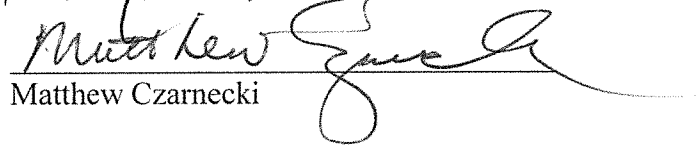
Randall Mobley



Brad Amos

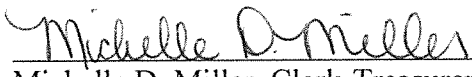


Terry Langford



Matthew Czarnecki

Attest:



Michelle D. Miller, Clerk-Treasurer

EXHIBIT A**DESCRIPTION OF THE PROJECT**

Project planning costs, the master plan, the Perry Crossing pump station, and construction, expansion and rehabilitation of a wastewater treatment plant to provide adequate capacity and facilitate projected growth of the Town of Sellersburg and those other areas served by the Town of Sellersburg wastewater treatment plant, in accordance with the plans and specifications approved by the Indiana Finance Authority.

EXHIBIT B

0140722.0732948 4839-1708-5120v8

**STATE OF INDIANA
WASTEWATER REVOLVING LOAN PROGRAM**

FINANCIAL ASSISTANCE AGREEMENT made as of this ____ day of _____ 20__ by and between the Indiana Finance Authority (the "Finance Authority"), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the "State") and the Town of Sellersburg, Indiana (the "Participant"), a political subdivision as defined in I.C. 5-1.2-2-57 and existing under I.C. 36-5, witnesseth:

WHEREAS, the State's Wastewater Revolving Loan Program (the "Wastewater SRF Program") has been established in accordance with the federal Clean Water Act and the regulations promulgated thereunder, and pursuant to I.C. 5-1.2-10 (the "Wastewater SRF Act"), which Wastewater SRF Act also establishes the wastewater revolving loan fund (the "Wastewater SRF Fund"); and

WHEREAS, pursuant to the Wastewater SRF Act, the State was authorized to fund the Wastewater SRF Program with federal capitalization grants, together with required state matching funds therefor, and to operate the Wastewater SRF Program, and prior to May 15, 2005 so funded and operated the Wastewater SRF Program; and

WHEREAS, pursuant to Public Law 235 - 2005, by operation of law and effective May 15, 2005, the Finance Authority has become the successor to the State in all matters related to the Wastewater SRF Program (including use and acceptance of federal capitalization grants and required state matching funds and operation of the Wastewater SRF Program); and

WHEREAS, the Participant is a duly existing political subdivision of the State, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein; and

WHEREAS, the Participant has determined to undertake a wastewater treatment system project (as more fully described herein, the "Project") and to borrow money from the Wastewater SRF Program to construct and acquire the Project; and

WHEREAS, the Finance Authority and the Participant desire to set forth the terms of such financial assistance as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the Finance Authority and the Participant agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms shall, for all purposes of this Agreement, have the following meaning:

“Agency” shall mean the United States Environmental Protection Agency or its successor.

“Asset Management Program” means programs, plans and documentation (including a Fiscal Sustainability Plan) that demonstrates that the Participant has the financial, managerial, technical, and legal capability to operate and maintain its Treatment Works and which is consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act.

“Authorizing Instrument(s)” shall mean the separate trust indenture(s) of the Participant entered into with a corporate trustee or the detailed resolution(s) or ordinance(s) of the governing body of the Participant pursuant to which the Bonds are issued in accordance with State law.

“Authorized Representative” shall mean the [Clerk-Treasurer of the Participant or such other officer, official, or representative of the Participant duly authorized to act for and on behalf of the Participant as provided for herein.

“Bond” or **“Bonds”** shall mean the instrument(s) which evidence(s) the Loan, as authorized by the Authorizing Instrument and containing the terms set forth in Section 2.02 of this Agreement.

“Bond Fund” shall mean the separate and segregated fund or account established and created by the Participant pursuant to the Authorizing Instrument from which payment of the principal of and interest on the Bonds is required to be made by the Participant.

“Business Day” shall mean any day other than a Saturday, Sunday or State legal holiday or any other day on which financial institutions in the State are authorized by law to close and to remain closed.

“Clean Water Act” shall mean the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251-1387, and other laws, regulations and guidance supplemental thereto (including the 2014 Appropriations Act and the Water Resources Reform and Development Act of 2014), as amended and supplemented from time to time.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

“Construction Fund” shall mean the separate and segregated fund or account established and created by the Participant pursuant to the Authorizing Instrument to receive proceeds of the Bonds and from which Eligible Costs of the Project may be paid by the Participant.

“Credit Instrument” means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider that is used by the Participant to meet all or a portion of any debt service reserve requirement securing the Bonds or any other bonds payable from the revenues of the Treatment Works, which bonds are on a parity with the Bonds.

“Credit Provider” means a bank, insurance company, financial institution or other entity providing a Credit Instrument.

“Department” shall mean the Indiana Department of Environmental Management created under I.C. 13-13-1-1 or its successor.

“Deposit Agreement” shall mean an agreement between the Participant and the Deposit Agreement Counterparty in such form as from time to time determined by the Finance Authority pursuant to which (a) the Participant’s Bond Fund (including any reserve account established and created by the Participant pursuant to the Authorizing Instrument related thereto) shall be held by such Deposit Agreement Counterparty and available for payment of the Bonds and any other similar obligations of the Participant that are payable from the Bond Fund regardless whether they are on a parity basis, (b) such Deposit Agreement Counterparty serves as the paying agent for the Bonds and any other such similar obligations of the Participant that are payable from the Bond Fund, and (c) the Participant’s Construction Fund may be held by such Deposit Agreement Counterparty upon any Loan disbursement by the Finance Authority to it from time to time.

“Deposit Agreement Counterparty” shall mean the financial institution that enters into a Deposit Agreement with the Participant, which financial institution shall be approved by the Finance Authority and may be replaced by the Finance Authority from time to time.

“Director of Environmental Programs” shall mean the person designated by the Finance Authority as authorized to act as the Director of Environmental Programs (which designation includes such Director’s assumption of the duties previously assigned to the Wastewater SRF Program Representative and the Wastewater SRF Program Director) and where not limited, such person’s designee.

“Disbursement Agent” shall mean the party disbursing the Loan to or for the benefit of the Participant, which shall be the Trustee unless amounts are held in the Construction Fund, in which case the Disbursement Agent shall thereafter be the Deposit Agreement Counterparty as the party disbursing amounts that are held in the Construction Fund unless otherwise agreed by the Finance Authority.

“Disbursement Request” shall mean a request for a disbursement of the Loan made by an Authorized Representative in such form as the Finance Authority may from time to time prescribe.

“Eligible Cost” shall mean and include, whether incurred before or after the date of this Agreement, all costs which have been incurred and qualify for Financial Assistance, including engineering, financing and legal costs related thereto.

“Finance Authority” shall mean the Indiana Finance Authority, a body politic and corporate, not a state agency but an independent instrumentality of the State.

“Finance Authority Bonds” shall mean any Finance Authority State Revolving Fund Program Bonds or other similar obligations of the Finance Authority issued as a part of the Wastewater SRF Program within the meaning of the Wastewater SRF Indenture.

“Financial Assistance” shall mean the financial assistance authorized by the Clean Water Act, including the Loan.

“Fiscal Sustainability Plan” means in connection with a project that provides for the repair, replacement, or expansion of an existing Treatment Works, a plan that is consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act and includes (a) an inventory of critical assets that are a part of the Treatment Works, (b) an evaluation of the condition and performance of inventoried assets or asset groupings; (b) a certification that the Participant has evaluated and will be implementing water and energy conservation efforts as part of the plan; and (d) a plan for maintaining, repairing, and, as necessary, replacing the Treatment Works and a plan for funding such activities.

“Loan” shall mean the purchase of the Bonds by the Finance Authority to finance the planning, designing, constructing, renovating, improving and expanding of the Participant’s Treatment Works or refinance an existing debt obligation where such debt was incurred and building of such systems began after March 7, 1985, but does not mean the provision of other Financial Assistance.

“Loan Reduction Payment” shall mean in any circumstances where there is a balance (inclusive of Loan proceeds and any earnings) in the Construction Fund, any action causing such balance to be applied to a reduction in the maximum aggregate amount of the Loan outstanding other than pursuant to regularly scheduled principal payments or optional redemptions applicable to the Bonds. A Loan Reduction Payment shall not be applicable unless Loan amounts are held in the Construction Fund.

“Non-Use Close-out Date” shall mean that date which is the earlier of (a) the first date as of which the full amount of the Loan has been disbursed on a cumulative basis (which shall also be deemed to have occurred when and if such amounts have been deposited in the Participant’s Construction Fund) or (b) the date as of which the Participant binds itself that no further Loan disbursements will be made under this Agreement.

“Non-Use Fee” shall mean a fee in an amount determined by the Finance Authority charged to compensate it for costs and expenses within the Wastewater SRF Program. Such amount shall be the greater of (A) the product of the undrawn balance of the Loan on each applicable Non-Use Assessment Date multiplied by one percent (1%) or (B) One Thousand Dollars (\$1,000). Such fee shall apply and be payable under Section 5.09 herein with respect to each Non-Use Assessment Date until the Non-Use Close-out Date shall occur. A Non-Use Fee shall not be applicable if the full amount of the Loan has been disbursed and deposited in the Participant’s Construction Fund by the Non-Use Assessment Date.

“Non-Use Assessment Date” shall mean [] 1, 2022 and the first day of each sixth (6th) calendar month thereafter unless and until the Non-Use Close-out Date occurs in advance of any such Non-Use Assessment Date.

“Operation and Maintenance” shall mean the activities required to assure the continuing dependable and economic function of the Treatment Works, including maintaining compliance

with National Pollutant Discharge Elimination System permits, as follows:

(1) Operation shall mean the control and management of the united processes and equipment which make up the Treatment Works, including financial and personnel management, records, reporting, laboratory control, process control, safety and emergency operation planning and operating activities.

(2) Maintenance shall mean the preservation of the functional integrity and efficiency of equipment and structures by implementing and maintaining systems of preventive and corrective maintenance, including replacements.

“Plans and Specifications” shall mean the detailed written descriptions of the work to be done in undertaking and completing the Project, including the written descriptions of the work to be performed and the drawings, cross-sections, profiles and the like which show the location, dimensions and details of the work to be performed.

“Preliminary Engineering Report” shall mean the information submitted by the Participant that is necessary for the Finance Authority to determine the technical, economic and environmental adequacy of the proposed Project.

“Project” shall mean the activities or tasks identified and described in Exhibit A to this Agreement, and incorporated herein, as amended or supplemented by the Participant and consented to by the Finance Authority, for which the Participant may expend the Loan.

“Purchase Account” shall mean the account by that name created by the Wastewater SRF Indenture and held as part of the Wastewater SRF Fund.

“SRF Policy Guidelines” shall mean guidance of general applicability (as from time to time published, amended and supplemented by the Finance Authority) pertaining to participants utilizing financial assistance in connection with their projects funded in whole or in part through the Wastewater SRF Program.

“State” shall mean the State of Indiana.

“Substantial Completion of Construction” shall mean the day on which the Finance Authority (or if designated by the Finance Authority, the Department) determines that all but minor components of the Project have been built, all equipment is operational and the Project is capable of functioning as designed.

“System Development Charges” shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges applicable to the Treatment Works that are available for deposit under the Authorizing Instrument.

“Treatment Works” shall mean any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement

section 201 of the Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and acquisition of the land that will be an integral part of the treatment process (including land use for the storage of treated wastewater in land treatment systems prior to land application) or will be used for ultimate disposal of residues resulting from such treatment and acquisition of other land, and interests in land, that are necessary for construction.

“Trustee” shall mean The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, in its capacity as trustee or its successor under the Wastewater SRF Indenture.

“2014 Appropriations Act” shall mean the Consolidated Appropriations Act, 2014 (also known as H.R. 3457), and other laws, regulations and guidance supplemental thereto (including the Clean Water Act), as amended and supplemented from time to time.

“Wastewater SRF Fund” shall mean the wastewater revolving loan fund as established by I.C. 5-1.2-10-2.

“Wastewater SRF Indenture” shall mean the Seventh Amended and Restated Wastewater SRF Trust Indenture, dated as of September 1, 2019 between the Finance Authority (as successor by operation of law to the State in all matters related to the Wastewater SRF Program) and the Trustee, as amended and supplemented from time to time.

(End of Article I)

ARTICLE II

PURPOSE OF BORROWING AND LOAN TERMS

Section 2.01. Amount; Purpose. The Finance Authority agrees to Loan an amount not to exceed [] Dollars (\$[]) in aggregate principal amount to the Participant as Financial Assistance to pay for the Eligible Costs, as hereinafter described, of the Project on, and subject to, the terms and conditions contained herein. The Loan shall be used only to pay the following Eligible Costs: (a) eligible planning services for the production of a Preliminary Engineering Report ("Planning"), (b) eligible design services for the production of Plans and Specifications ("Design") and (c) eligible construction costs, including financing and legal costs ("Construction"). The Loan shall be funded solely from available proceeds of the Finance Authority Bonds contained in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate. The Loan is evidenced by the Bonds executed and delivered by the Participant contemporaneously herewith. The Bonds shall be in fully registered form, with the Finance Authority registered as the registered owner. So long as the Finance Authority is the registered owner, the principal of and redemption premium, if any, and interest on the Bonds shall be paid to the Trustee by a wire transfer referenced as follows: The Bank of New York, ABA 021 000 018, For Credit to 610026840C, Account Name: Town of Sellersburg Sewage Works, Attn: Derick Rush. The Participant agrees to undertake and complete the Project and to receive and expend the Loan proceeds in accordance with this Agreement.

Section 2.02. The Bonds.

(a) Until paid, the Bonds will bear interest at the per annum rate of [] percent ([]%). Such interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months, and be as provided in I.C. 5-1.2-10-15 and -20. Interest, if any, on the Bonds will be payable on January 1 and July 1 of each year, commencing [] 1, 20[]. The Bonds will be in the aggregate principal amount of [] Dollars (\$[]). Subject to Section 2.05 and 2.06 herein, the Bonds will mature on January 1 and July 1 of each of the years set forth in, and at the principal amount set opposite each such month and year set forth in the schedule contained in the attached Exhibit B to this Agreement (which is hereby incorporated by reference); provided, however, notwithstanding the foregoing or the terms of the Bonds to the contrary, no maturity of Bonds shall extend beyond the date which is thirty-five (35) years after the date of this Agreement. If the maturity date for any Bonds is beyond such date, unless otherwise agreed to, such Bonds, together with accrued and unpaid interest thereon, will be due and payable on such date.

(b) The Bonds will be subject to redemption by the Participant as provided in the Authorizing Instrument; provided however that in no event shall the Participant exercise any provision contained in the Authorizing Instrument or the Bonds permitting a redemption of the Bonds at the option of the Participant unless and until such has been consented by the Authority. The Loan, and the Bonds evidencing it, will be subject to payment by the Participant as provided in this Agreement.

(c) The form and other terms of the Bonds will be in conformity with the Authorizing Instrument.

(d) The additional terms contained in the attached Exhibit D are applicable to this Loan (as and to the extent set forth in Exhibit D) to the same effect as if such were set forth in this section.

Section 2.03. Disbursement Conditions. Each of the following shall be a condition precedent to the disbursement of the Loan or any portion thereof (including from the Construction Fund):

(a) (1) With respect to procurement of professional services related to the Project to be paid from Loan proceeds, the Participant shall have complied with applicable State law and SRF Policy Guidelines. Additionally costs related Planning and Design shall only be Eligible Costs upon compliance with paragraph A of the attached Exhibit D. (2) With respect to procurement of all other goods and services related to the Project to be paid from Loan proceeds, the Participant shall have complied with I.C. 36-1-12 and SRF Policy Guidelines.

(b) No representation, warranty or covenant of the Participant contained in this Agreement or in any paper executed and delivered in connection with the transactions contemplated by this Agreement shall be false or inaccurate in any material respect.

(c) The Participant shall undertake and faithfully perform each of its obligations, agreements and covenants contained in this Agreement, the Authorizing Instrument and the Bonds.

(d) There shall be available to the Finance Authority uncommitted funds in an amount sufficient to satisfy the Finance Authority's obligations hereunder from the proceeds of Finance Authority Bonds in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate; provided however, once Loan proceeds have been deposited in the Construction Fund, such condition shall be deemed satisfied.

(e) The Participant shall have undertaken all actions necessary to comply with and satisfy the conditions and requirements for a Loan secured with money made available from the Wastewater SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 5-1.2-10, SRF Policy Guidelines, the Clean Water Act and 40 C.F.R. Part 35.

(f) Prior to making any Loan disbursement to pay any Construction costs, the Project shall have been approved by the State's Historical Preservation Officer in a manner consistent with the policies and practices of the Wastewater SRF Program (the "Historical Preservation Approval"). Notwithstanding any provision of this Agreement to the contrary, in the event a Historical Preservation Approval has not been given within four (4) months after the date of this Agreement, the Finance Authority may, in its sole discretion, (i) reduce the aggregate amount of the Loan to the amount then disbursed and

outstanding under this Agreement and (ii) if any amounts are held in the Construction Fund, require a Loan Reduction Payment pursuant to Section 2.06 herein as if it were a date that was three (3) years after the dated date of the Bonds. Upon giving notice to the Participant of such action, no further Loan disbursement (including from the Construction Fund) may be made under this Agreement unless consented to by the Finance Authority.

(g) In the event the Bonds are payable from rates and charges of the Treatment Works and if requested by the Finance Authority, the Participant shall provide evidence satisfactory to the Finance Authority demonstrating that such rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper Operation and Maintenance of the Treatment Works, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Treatment Works (including the Bonds).

Section 2.04. Disbursement Procedures. Loan proceeds (including any held from time to time in the Construction Fund) shall be disbursed to the Participant by the Disbursement Agent for actual Eligible Costs incurred with respect to the Project. The Finance Authority may, in its discretion, cause Loan disbursements to be made (a) directly to the person or entity identified in the Disbursement Request to whom payment is due, or (b) if advised in writing by the Participant that I.C. 36-1-12-14 or a similar law applies to the Project, to the Participant for purposes of collecting retainage, or some combination thereof. Any Loan proceeds in excess of the amount subject to retainage controlled by the Participant will be immediately remitted to the person or entity to whom payment is due, no later than three (3) Business Days after receipt or the date such Loan proceeds are no longer subject to retainage. The Finance Authority may, in its discretion, cause Loan disbursements to be made from time to time, in whole or in part, to the Participant's Construction Fund for disbursement consistent with this Agreement. Loan disbursements shall not be made more frequently than monthly and shall only be made following the submission of a Disbursement Request to the Finance Authority. Disbursement Requests shall be approved by the Director of Environmental Programs prior to submission to the Disbursement Agent for a Loan disbursement. Disbursement Requests shall be numbered sequentially, beginning with the number 1.

Section 2.05. Effect of Disbursements. Loan disbursements made to or for the benefit of the Participant shall be deemed to be a purchase of the Bonds in such amounts and with such maturities as achieves as level debt service as practicable, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to one year after Substantial Completion of Construction shall first be deemed to be a purchase of the Bonds in order of maturity. The deposit of Loan proceeds in the Construction Fund shall be deemed to be a purchase of the Bonds. Interest on the Loan commences on disbursement of the Loan to or for the benefit of the Participant (including any amounts disbursed to the Construction Fund) by the Finance Authority and the Bonds shall be deemed to be purchased in the full amount thereof. Each disbursement (including any amounts disbursed from the Construction Fund) shall be made pursuant to a Disbursement Request. In the event any Loan disbursement (including any amounts disbursed from the Construction Fund) shall be made in excess of Eligible Costs, such excess disbursements shall be immediately paid by the Participant to the Disbursement Agent (and if made from any amounts held in the Construction

Fund, shall be immediately deposited by the Participant into such Construction Fund) and thereafter may, subject to the terms and conditions set forth in this Agreement, be applied thereafter to pay Eligible Costs of the Project by the Participant.

Section 2.06. Acknowledgment of Amount of Loan; Final Disbursement. (a) Within 30 days after any request by the Finance Authority from time to time, the Participant shall execute and deliver to the Finance Authority an acknowledgment in the form prescribed by the Finance Authority which acknowledges the outstanding principal of and interest on the Bonds. Unless the Finance Authority consents in writing, no Loan disbursement shall be made more than one year after Substantial Completion of Construction. After Substantial Completion of Construction, upon the request of the Finance Authority, the Participant shall replace, at its expense, the Bonds with substitutes issued pursuant to the Authorizing Instrument to evidence the outstanding principal under the Loan.

(b) In the event there remains a balance (inclusive of Loan proceeds and any earnings) in the Construction Fund on the date that is the earlier of (i) one year after Substantial Completion of Construction or (ii) three (3) years after the dated date of the Bonds (or in either such circumstance, such later date as the Finance Authority may approve in its discretion), the Participant agrees to make a Loan Reduction Payment, to the Finance Authority within 10 days after any Finance Authority written demand. Any Loan Reduction Payment shall be applied to pay principal in such amounts and with such maturities as achieves as level debt service as practicable consistent with methodology prescribed in the Authorizing Instrument and as originally applied to the Bonds, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to the Loan Reduction Payment shall be unaffected by such payment. If the Authorizing Instrument permits the Participant to apply Bond proceeds to pay interest accruing on or before Substantial Completion of Construction, the Participant may seek to reimburse itself for such interest costs it has paid pursuant to a Disbursement Request provided. If the Participant fails to make such Loan Reduction Payment by such date, the Finance Authority and Deposit Agreement Counterparty are authorized to cause any balance held in the Construction Fund to be so applied without further direction and authorization from the Participant. Notwithstanding the foregoing, if requested by the Finance Authority, in lieu of the Participant making a Loan Reduction Payment, the Finance Authority may in its discretion require the Participant to hold any remaining balance (inclusive of Loan proceeds and any earnings) in the Construction Fund until such amounts may be applied on the first optional redemption date applicable to the Bonds, and upon any such request, the Participant agrees to cause such amounts to be so held and applied on such date.

(End of Article II)

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTICIPANT

Section 3.01. Planning, Design and Construction Covenants. The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

(a) Provide information as requested by the Finance Authority to determine the need for, or to complete any necessary, environmental review or analysis.

(b) Comply with the procurement procedures and affirmative action requirements contained in SRF Policy Guidelines in the Planning, Design and Construction of the Project to the extent that such are to be paid from Loan proceeds.

(c) With respect to prime and first tier contract awards, report minority and women business enterprise utilization in the Planning, Design and Construction of the Project, to the extent that such are to be paid from Loan proceeds, by executing and delivering Agency Form SF 5700-52 to the Finance Authority whenever any agreements or subagreements are awarded. (These reports must be submitted on regular reporting cycles consistent with SRF Policy Guidelines commencing after such agreement or subagreement is awarded.)

(d) Comply with all applicable federal, State and local statutes, rules and regulations relating to the acquisition and construction of the Treatment Works.

(e) In the event Construction is to be paid from Loan proceeds, prior to an award of any contract for Construction of the Project, obtain a construction permit from the Department and receive the written approval of the Finance Authority of the Preliminary Engineering Report.

(f) Obtain the property rights necessary to construct the Treatment Works and, in procuring any such rights comply with federal and State law.

(g) In the event Construction is to be paid from Loan proceeds, comply with the federal Davis-Bacon Act, codified at 40 U.S.C. 276a-276a-5 unless separately waived by the Finance Authority.

(h) In the event Construction is to be paid from Loan proceeds, execute and deliver to the Finance Authority Agency Form 4700-4 ("Pre-award Compliance Review Report for Wastewater Treatment Construction Grants") and such other forms as may be required by the Clean Water Act or SRF Policy Guidelines.

(i) In the event Construction is to be paid from Loan proceeds, follow guidance issued by the Finance Authority in procuring contracts for Construction, including (1) submission to the Finance Authority of Project change orders, (2) obtaining approval from the Director of Environmental Programs of any Project change order which significantly

changes the scope or Design of the Project or, when taking into account other change orders and contracts, are reasonably expected to result in expenditures in an amount greater than the Loan, (3) receiving approval from the Director of Environmental Programs prior to the award of any contract for Construction and (4) receiving authorization from the Director of Environmental Programs prior to initiating procurement of Construction of the Project.

(j) In the event Construction is to be paid from Loan proceeds, before awarding Construction contracts, receive approval of the Director of Environmental Programs for the user charge system (including any use ordinance and interlocal agreement) associated with the Project.

(k) In the event Construction is to be paid from Loan proceeds, cause the Project to be constructed in accordance with the Preliminary Engineering Report and Plans and Specifications, using approved contract papers.

(l) Permit the Finance Authority and its agents to inspect from time to time (1) the Project, (2) the Treatment Works and (3) the books and other financial records of the Treatment Works, including the inspections described in SRF Policy Guidelines. Construction contracts shall provide that the Finance Authority or its agents will have access to the Project and the work related thereto and that the Participant's contractor will provide proper facilities for such access and inspection. All files and records pertaining to the Project shall be retained by the Participant for at least six years after Substantial Completion of Construction.

(m) Upon Substantial Completion of Construction and when requested by the Finance Authority, provide audited reports to the Finance Authority to permit the Finance Authority to determine that the Loan proceeds have been used in compliance with this Agreement.

(n) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, consistent with SRF Policy Guidelines, certify to the Finance Authority that the Project meets performance standards, or if not met, (1) submit to the Finance Authority (or if directed by the Finance Authority, to the Department) a corrective action plan and (2) promptly and diligently undertake any corrective action necessary to bring the Project into compliance with such standards.

(o) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, provide as-built plans for the Project to the Finance Authority (or if directed by the Finance Authority, to the Department).

Section 3.02. General Covenants. The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

(a) Comply with all applicable federal, State and local statutes, rules and regulations relating to Operation and Maintenance.

(b) (1) Own, operate and maintain the Project and the Treatment Works for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Treatment Works in good condition and operate it in an efficient manner and at a reasonable cost; and (3) not sell, transfer, lease or otherwise encumber the Treatment Works or any portion thereof or any interest therein without the prior written consent of the Finance Authority.

(c) Obtain and maintain the property rights necessary to operate and maintain the Treatment Works, and in procuring any such rights, comply with federal and State law.

(d) Acquire and maintain insurance coverage acceptable to the Finance Authority, including fidelity bonds, to protect the Treatment Works and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under State law. Insurance proceeds and condemnation awards shall be used to replace or repair the Treatment Works unless the Finance Authority consents to a different use of such proceeds or awards.

(e) Establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) in accordance with (1) generally accepted governmental accounting principles, as promulgated by the Government Accounting Standards Board (including GASB No. 34 standards relating to the reporting of infrastructure) and (2) the rules, regulations and guidance of the State Board of Accounts.

(f) Provide to the Finance Authority such periodic financial and environmental reports as it may request from time to time, including (1) annual operating and capital budgets and (2) such other information requested or required of the Finance Authority or the Participant by the Agency.

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

(h) Develop, certify, implement and maintain an Asset Management Program (including a Fiscal Sustainability Plan) of the Participant that meets SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act. The Participant acknowledges that its agreement to develop, certify, implement and maintain an Asset Management Program (including a Fiscal Sustainability Plan) as provided in this subsection was a condition of the Loan. Unless the Participant's Asset Management Program (including a Fiscal Sustainability Plan) was certified prior to the date of this Agreement, the Participant agrees to submit a certification (on and in a form as provided

by the Finance Authority) related to the Participant's Asset Management Program (including a Fiscal Sustainability Plan) prior to submitting its request for a final Loan disbursement related to the Project. Over the term of the Loan, the Participant further agrees to continue to update, implement and maintain the Participant's Asset Management Program (including a Fiscal Sustainability Plan) to assure it has the financial, managerial, technical, and legal capability to operate and maintain its Treatment Works consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act.

(i) Provide notice to the Finance Authority under the circumstances contemplated, and undertake inspections as required, by SRF Policy Guidelines.

(j) (1) Establish and maintain just and equitable rates and charges for the use of and the service rendered by the Treatment Works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Treatment Works, or that in any way uses or is served by the Treatment Works, (2) establish, adjust and maintain rates and charges at a level adequate to produce and maintain sufficient revenue (when determined including user and other charges, fees, income or revenues available to the Participant, provided that to the extent permitted by law System Development Charges shall be excluded when determining if such are sufficient) to provide for the proper Operation and Maintenance of the Treatment Works, to comply with and satisfy all covenants contained herein and to pay all obligations of the Treatment Works and of the Participant with respect thereto, and (3) if and to the extent Bonds are payable from property taxes, levy each year a special ad valorem tax upon all property located in the boundaries of the Participant, to pay all obligations of the Participant with respect thereto.

(k) If the Bonds are payable from the revenues of the Treatment Works, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Treatment Works without the prior written consent of the Finance Authority if such undertaking would involve, commit or use the revenues of the Treatment Works; provided that the Participant may authorize and issue additional obligations, payable out of the revenues of its Treatment Works, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Treatment Works, or to refund obligations of the Treatment Works, subject to the conditions, if any, in the Authorizing Instrument.

(l) Comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(m) Undertake all actions necessary to investigate all potential, material claims which the Participant may have against other persons with respect to the Treatment Works and the Project and take whatever action is necessary or appropriate to (1) recover on any

actionable, material claims related to the Project or the Planning, Design or Construction thereof, (2) meet applicable Project performance standards and (3) otherwise operate the Treatment Works in accordance with applicable federal, State and local law.

(n) Not modify, alter, amend, add to or rescind any provision of the Authorizing Instrument without the prior written consent of the Finance Authority.

(o) In the event the Participant adopts an ordinance or resolution to refund the Bonds, within 5 days of the adoption of the ordinance or resolution, provide written notice to the Finance Authority of the refunding. Any refunding of the Bonds shall only be undertaken by the Participant with the prior written consent of the Finance Authority.

(p) In any year in which total expenditures of Federal financial assistance received from all sources exceeds \$750,000 the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of Federal financial assistance. The Participant agrees to provide the Finance Authority with a copy of the SAA audit within 9 months of the audit period.

(q) Inform the Finance Authority of any findings and recommendations pertaining to the SRF program contained in an audit of 2 CFR 200 Subpart F (a/k/a "Super Circular") matters in which SRF Federal financial assistance was less than \$750,000.

(r) Initiate within 6 months of the audit period corrective actions for those audit reports with findings and recommendations that impact the SRF financial assistance.

(s) Notwithstanding anything in the Authorizing Instrument related to the Bonds (or in any authorizing instrument related to any other outstanding bonds payable from the revenues of the Treatment Works which are on a parity with the Bonds) to the contrary, in the event any Credit Provider that has provided a Credit Instrument fails to be rated on a long term basis at least "A-/A3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors (such Credit Instrument, a "Disqualified Instrument"), within 12 months of such failure (or pursuant to such other schedule as may be approved by the Finance Authority), the Participant shall cause cash (or a replacement Credit Instrument from a Credit Provider that is rated on a long term basis at least "AA-/Aa3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors)(or some combination thereof) in an aggregate amount equal to the stated credit available under the Disqualified Instrument(s) to be deposited in the related reserve account(s) in lieu of such Disqualified Instrument(s). No Disqualified Instrument shall be included as part of the reserve balance which satisfies any such reserve requirement under any such authorizing instrument. Nothing in this subsection shall waive or modify additional requirements contained in any such authorizing instrument (including the Authorizing Instrument related to the Bonds); the provisions of this subsection and any such authorizing instrument (including the Authorizing Instrument related to the Bonds) shall both be required to be met. Unless and until notice shall be given by the Finance

Authority to the Participant, a surety policy issued by MBIA Insurance Corporation or Financial Guaranty Insurance Company that has been reinsured by National Public Finance Guarantee Corporation (formerly known as MBIA Insurance Corp. of Illinois) shall not be treated as a Disqualified Instrument.

(t) (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by SRF Policy Guidelines or the Clean Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(u) Comply with all federal requirements applicable to the Loan (including those imposed by the 2014 Appropriations Act and related SRF Policy Guidelines) which the Participant understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Participant has requested and obtained a waiver from the Agency pertaining to the Project or (ii) the Finance Authority has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project.

(v) Comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or the Finance Authority such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

(w) Whenever from time to time requested by the Finance Authority, submit evidence satisfactory to the Finance Authority demonstrating that the Participant's rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper Operation and Maintenance of the Treatment Works, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Treatment Works (including the Bonds) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with SRF Policy Guidelines regarding such coverage.

(x) Notwithstanding any provision of the Authorization Instrument to the contrary,

not make any payment in lieu of property taxes from any account of the Treatment Works (i) if the Finance Authority provides notice to the Participant that the Finance Authority has determined in its reasonable discretion that such a transfer adversely affects the Finance Authority and (ii) more frequently than semiannually if the Authority provides notice to the Participant so requiring such a limitation on frequency.

(y) Comply with all requirements of this Agreement applicable to the Loan (including those imposed by the attached Exhibit D).

Section 3.03. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Finance Authority that:

(a) The Participant is duly organized and existing under State law, and constitutes a “political subdivision” within the meaning of I.C. 5-1.2-2-57) and a “participant” within the meaning of I.C. 5-1.2-2-54. The Project and the Treatment Works are subject to I.C. 36-9-23.

(b) The Participant has full power and authority to adopt the Authorizing Instrument, enter into this Agreement and issue the Bonds and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Authorizing Instrument and authorized the execution and delivery of this Agreement, the Bonds and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transaction contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Treatment Works, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Authorizing Instrument or the Bonds or the authority or ability of the Participant to execute and deliver this Agreement or the Bonds and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Authorizing Instrument or the Bonds.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Finance Authority or any of the persons representing the Finance Authority in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) The Participant has taken or will take all proceedings required by law to enable it to issue and sell the Bonds as contemplated by this Agreement.

(i) For any outstanding bonds payable from the revenues of the Treatment Works which are on a parity with the Bonds, each Credit Provider, if any, that has provided a Credit Instrument is at least rated on a long term basis "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc., and their successors, except as represented and set forth in Exhibit C attached thereto (and with respect to which true, accurate and complete copies of each such Credit Instrument have been delivered to the Finance Authority).

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds (including from the Construction Fund). Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Finance Authority may have undertaken.

Section 3.04. Covenants Regarding Assignment. The Participant acknowledges that the Finance Authority may pledge, sell or assign the Bonds or cause the Bonds to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 5.02 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Finance Authority, the Participant covenants and agrees with the Finance Authority that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Authorizing Instrument and the Bonds and the Treatment Works as the Finance Authority reasonably requests in writing to facilitate the sale or assignment of the Bonds.

Section 3.05. Nature of Information. All information furnished by the Participant to the Finance Authority or any person representing the Finance Authority in connection with the Loan or the Project may be furnished to any other person the Finance Authority, in its judgment, deems necessary or desirable in its operation and administration of the Wastewater SRF Program.

Section 3.06. Tax Covenants. The Participant hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to be taken by it or by any party under its control, any action 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 Code. The Participant further covenants that it will not do any act or thing that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "arbitrage bonds" within the meaning of Section 148 of the Code. In furtherance and not in limitation of the foregoing, the Participant shall take all action necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent

applicable to the Participant or the Bonds, including accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

Section 3.07. Non-Discrimination Covenant. Pursuant to and with the force and effect set forth in I.C. 22-9-1-10, the Participant hereby covenants that the Participant, and its contractor and subcontractor for the Project, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry.

(End of Article III)

ARTICLE IV

DEFAULTS

Section 4.01. Remedies. The Finance Authority's obligation to make a disbursement under the Loan to the Participant hereunder may be terminated at the option of the Finance Authority, without giving any prior notice to the Participant, in the event: (a) the Participant fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith (including the Authorizing Instrument); or (b) any representation or warranty made by the Participant as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default and in addition to any other remedies at law or in equity, the Finance Authority may (x) require a Loan Reduction Payment pursuant to Section 2.06 herein as if it were a date that was three (3) years after the dated date of the Bonds, (y) in the event a Deposit Agreement has not previously been entered into related to the Participant's Bond Fund (including any related reserve), require the Participant to enter into a Deposit Agreement (or to modify any such previously entered Deposit Agreement) and the Participant shall enter into (or modify) such an agreement within 5 days after any such demand and (z) without giving any prior notice, declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

Section 4.02. Effect of Default. Failure on the part of the Finance Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Finance Authority by this Agreement or by law shall not make the Finance Authority liable in damages to the Participant or relieve the Participant from paying any Bond or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Participant may have and pursue any and all other remedies provided by law for compelling performance by the Finance Authority of such obligation assumed by or imposed upon the Finance Authority. The obligations of the Finance Authority hereunder do not create a debt or a liability of the Finance Authority or the State under the constitution of the State or a pledge of the faith or credit of the Finance Authority or the State and do not directly, indirectly or contingently, obligate the Finance Authority or the State to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the Finance Authority or the State, nor any agent, attorney, member or employee of the Finance Authority or the State shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

(End of Article IV)

ARTICLE V

MISCELLANEOUS

Section 5.01. Citations. Any reference to a part, provision, section or other reference description of a federal or State statute, rule or regulation contained herein shall include any amendments, replacements or supplements to such statutes, rules or regulation as may be made effective from time to time. Any reference to a Loan disbursement shall include any disbursement from the Construction Fund. Any use of the term "including" herein shall not be a limitation as to any provision herein contained but shall mean and include, without limitation, the specific matters so referenced.

Section 5.02. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Finance Authority and any attempt at such an assignment without such consent shall be void. The Finance Authority may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Authorizing Instrument, and the Bonds to an agency of the State or to a separate body corporate and politic of the State or to a trustee under trust instrument to which the Finance Authority, the State or any assignee is a beneficiary or party. The Finance Authority may at its option pledge or assign all or a portion of its rights under this Agreement, the Authorizing Instrument, and the Bonds to any person. The Participant hereby consents to any such pledge or assignment by the Finance Authority. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 5.03. No Waiver. Neither the failure of the Finance Authority nor the delay of the Finance Authority to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 5.04. Modifications. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

Section 5.05. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto.

Section 5.06. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Finance Authority and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 5.07. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Finance Authority or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Bonds to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 5.08. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Finance Authority shall be addressed to:

Indiana Finance Authority
SRF Programs
100 North Senate, Room 1275
Indianapolis, Indiana 46204
Attention: Director of Environmental Programs

or at such other address(es) or number(s) and to the attention of such other person(s) as the Finance Authority may designate by notice to the Participant. Notices to the Participant shall be addressed to:

316 E Utica St.
Sellersburg, IN 47172
Attention: Clerk-Treasurer

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Finance Authority. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) Business Days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) Business Day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 5.09. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Bonds and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses in connection with making and administering the Loan; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Finance Authority in connection with the enforcement of this Agreement, the Authorizing Instrument and the Bonds in the event of the breach by the Participant of or a default under this Agreement, the Authorizing Instrument or the Bonds. Notwithstanding clause (b) above, the Participant shall not be obligated to pay any of the fees, costs and expenses in connection with administering the Loan except as follows: (1) the Finance Authority may request and the Participant shall promptly pay (no later than the date first above written), a closing fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (2) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), an annual administrative fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (3) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-Use Fee in connection with the Loan, which may not be paid from a Loan disbursement; (4) for so long as the Finance Authority is the registered owner of the Bonds, at the direction of the Finance Authority, the interest rate on the Bonds may be adjusted to lower the interest rate on the Bonds, and the difference between the amount payable as the original rate on the Bonds and the lower rate shall be deemed an additional administrative fee in connection with the Wastewater SRF Program; and (5) the Participant shall only be obligated to pay fees, costs and expenses of the Finance Authority's counsel and financial advisers in connection with making the Loan up to \$10,000, which may be paid from a Loan disbursement.

Section 5.10. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

Section 5.11. Term. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Bonds or provision for the payment of the Bonds pursuant to the Authorizing Instrument.

Section 5.12. Non-Collusion. The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Participant, that he/she has not, nor has any other officer or representative of the Participant, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Participant related to customary services rendered in connection with the Loan.

Section 5.13. Federal Award Information. The CFDA Number for the Finance Authority's Wastewater SRF Program (also known as the Clean Water SRF Loan Program) is 66.458 and the Federal Agency & Program Name is "US Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds."

(End of Article V)

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BEEN INTENTIONALLY LEFT BLANK]

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

TOWN OF SELLERSBURG, INDIANA

INDIANA FINANCE AUTHORITY

“Participant”

“Finance Authority”

By: _____

By: _____

James P. McGoff

Printed: _____

Director of Environmental Programs

Title: _____

Attest: _____

(Signature Page to Financial Assistance Agreement)

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EXHIBIT A
Project Description

The Project consists of the following improvements to the Participant's Treatment Works:

-
-
-
-

[The Project contains components that are GPR Projects, which GPR Projects Expenditures have been determined and are expected as of the date of this Agreement to be in the amount as set forth in the Participant's business case or categorical exclusion which is posted at www.srf.in.gov.]

The Project is more fully described in, and shall be in accordance with, the Preliminary Engineering Report and the Plans and Specifications approved by the Finance Authority (or if designated by the Finance Authority, the Department).

[End of Exhibit A]

EXHIBIT B
Principal Payment Schedule for the Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
01/01/2021	\$	01/01/2039	
07/01/2021		07/01/2039	
01/01/2022		01/01/2040	
07/01/2022		07/01/2040	
01/01/2023		01/01/2041	
07/01/2023		07/01/2041	
01/01/2024		01/01/2042	
07/01/2024		07/01/2042	
01/01/2025		01/01/2043	
07/01/2025		07/01/2043	
01/01/2026		01/01/2044	
07/01/2026		07/01/2044	
01/01/2027		01/01/2045	
07/01/2027		07/01/2045	
01/01/2028		01/01/2046	
07/01/2028		07/01/2046	
01/01/2029		01/01/2047	
07/01/2029		07/01/2047	
01/01/2030		01/01/2048	
07/01/2030		07/01/2048	
01/01/2031		01/01/2049	
07/01/2031		07/01/2049	
01/01/2032		01/01/2050	
07/01/2032		07/01/2050	
01/01/2033		01/01/2051	
07/01/2033		07/01/2051	
01/01/2034		01/01/2052	
07/01/2034		07/01/2052	
01/01/2035		01/01/2053	
07/01/2035		07/01/2053	
01/01/2036		01/01/2054	
07/01/2036		07/01/2054	
01/01/2037		01/01/2055	
07/01/2037		07/01/2055	
01/01/2038		01/01/2056	
07/01/2038			
TOTAL	\$		

[End of Exhibit B]

EXHIBIT C
Credit Instrument

Credit Providers rated on a long term basis lower than "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc. are:

- None.

[End of Exhibit C]

Exhibit D
Additional Terms

- A. *The following additional terms in this Paragraph A (related to costs of Planning or Design being treated as Eligible Costs under this Agreement and the related defined terms) are [NOT] applicable to the Loan:*

“Equivalency Project” shall mean a project designated by the Finance Authority as an “equivalency project” under the Clean Water Act related to the “US Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds” for the federal fiscal year ending September 30, 2019 (or such later federal fiscal year as the Finance Authority may otherwise designate).

“A/E Services” shall mean professional services related to the Planning or Design of the Project including for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services.

The Participant understands and acknowledges that the Project has been designated as an Equivalency Project and is required to meet the related applicable requirements of the Clean Water Act which among other requirements requires that for costs of Planning or Design (including costs for A/E Services) to be treated as Eligible Costs under this Agreement, such services (and the related contract) are required to be negotiated in the same manner as a contract for architectural and engineering services as negotiated under chapter 11 of title 40, United States Code (as amended). In connection with any request for disbursement of the Loan that is submitted by the Participant to the Finance Authority to provide for the payment of any costs of Planning or Design (including costs for A/E Services), the Participant represents and warrants that such costs relate only to services provided under a contract negotiated in the same manner as a contract for architectural and engineering services as negotiated under chapter 11 of title 40, United States Code (as amended).

- B. *The following additional terms in this Paragraph B (related to GPR Projects and the related defined terms) are [NOT] applicable to the Loan.*

“GPR Projects” shall mean Project components that meet the requirement of the “Green Project Reserve (GPR) Sustainability Incentive Program” consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act.

“GPR Projects Adjustment Fee” shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Wastewater SRF Program’s interest rate policies and practices using the final, actual GPR Projects Expenditures (rather than the GPR Projects Business Case

Amount), all as determined by the Finance Authority.

“GPR Projects Business Case Amount” shall mean the amount referenced in the Participant’s business case related to GPR Projects as was set in the Participant’s Preliminary Engineering Report (or categorical exclusion) posted at www.srf.in.gov, uses of funds information submitted to the Finance Authority after the Project was bid or some other submitted information that was used by the Finance Authority prior to the date of this Agreement to set a special interest rate under the Wastewater SRF Program’s interest rate policies and practices applicable to the Bonds.

“GPR Projects Expenditures” shall mean those costs and expenses incurred by the Participant that are part of the Project which are GPR Projects in nature (within the meaning of the Wastewater SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program’s interest rate policies and practices.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a GPR Projects project. In the event GPR Projects Expenditures are hereafter determined by the Finance Authority to be less than the GPR Projects Business Case Amount, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a GPR Projects Adjustment Fee in connection with the Loan. The Participant shall certify to the Finance Authority those Loan disbursements it represents to be its GPR Projects Expenditures when and as required by SRF Policy Guidelines. The Participant understands and acknowledges that it is required to submit a business case or categorical exclusion documenting the GPR Projects and the GPR Projects Business Case Amount prior to loan closing or if a request is made pursuant to Section 3.02(f) of this Agreement.

- C. *The following additional terms in this Paragraph C (related to Non-point Source Projects and the related defined terms) are [NOT] applicable to the Loan:*

“Non-point Source Adjustment Fee” shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Wastewater SRF Program’s interest rate policies and practices using the final, actual Non-point Source Expenditures (rather than the amount referenced in the Participant’s post-bid and other documents submitted to the Finance Authority), all as determined by the Finance Authority.

“Non-point Source Expenditures” shall mean those costs and expenses incurred by the Participant that are Non-point Source Projects in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program’s interest rate policies and practices.

“Non-point Source Projects Amount” shall mean the amount referenced in the Participant’s post-bid and other documents submitted to the Finance Authority prior to the date of this Agreement to set a special interest rate under the Wastewater SRF Program’s interest rate policies and practices applicable to the Bonds

“Non-point Source Projects” shall mean Project components that meet the requirement of SRF Policy Guidelines and the Wastewater SRF Act to be non-point source in nature as determined by the Finance Authority.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a non-point source project. In the event Non-point Source Expenditures are hereafter determined by the Finance Authority to be less than the Non-point Source Projects Amount, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-point Source Adjustment Fee in connection with the Loan. The Participant shall certify to the Finance Authority those Loan disbursements it represents to be its Non-point Source Expenditures when and as requested by SRF Policy Guidelines.

[End of Exhibit D]

