



Generated at 1/3/2022 16:48

CH30 30 .15 - Refund Waterworks Revenue Bonds

AN ORDINANCE AUTHORIZING THE CURRENT REFUNDING OF THE TOWN OF LAPEL, INDIANA, WATERWORKS REVENUE BONDS, SERIES 2000, THE ISSUANCE AND SALE OF REFUNDING REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS AND OTHER RELATED MATTERS.

WHEREAS, the Town of Lapel, Indiana (the "Town"), has heretofore established and constructed and currently owns and operates a waterworks by and through its Town Council (the "Town Council") furnishing the public water supply to the Town and its inhabitants (the "Waterworks"), pursuant to the provisions of IC [8-1.5](#), as amended; and

WHEREAS, the Town has withdrawn the Waterworks from the jurisdiction of the Indiana Utility Regulatory Commission; and

WHEREAS, pursuant to an Ordinance adopted by the Town Council of the Town (the "Town Council") on May 11, 2000, the Town has heretofore issued its Waterworks Revenue Bonds, Series 2000 (the "2000 BOnds" or the "Refunded Bonds") in the original principal amount of One Million Three Hundred Twenty-Eight Thousand Dollars (\$1,328,000), payable from the Net Revenues (as hereinafter defined) of the Waterworks, said 2000 Bonds currently outstanding the principal amount of Nine Hundred Twenty-Three Thousand Dollars (\$923,000), and maturing semiannually over a period ending on January 1st, 2040; and

WHEREAS, the Town Council has found that savings in interest cost can be generated through refunding the Series 2000 Bonds, and the Town Council hereby authorizes the issuance of refunding revenue bonds for such purpose to be known as the Town of Lapel, Indiana Waterworks Refunding Revenue Bonds, Series 2021A (the "Refunding Bonds") or the "2021A Bonds"); and

WHEREAS, the Town has issued its Waterworks Revenue Bonds, Series 2011 (the "Prior Bonds") in the original aggregate principal amount of One Million Two Hundred Fifty-Two Thousand Dollars (\$1,252,000), of which

One Million Ninety-One Thousand Dollars (\$1,091,000) is now outstanding, and which Prior Bonds constitute a charge on the Net Revenues (as defined below); and

WHEREAS, the Town Council now finds that all conditions precedent to the issuance of the Refunding Bonds on a parity with the Prior Bonds have been or will be met; and

WHEREAS, the Refunding Bonds will constitute a charge against the Net Revenues on a parity with the Prior Bonds and are to be issued subject to the provisions of the laws of IC 8-1.5, as amended, and Indiana Code 5-1-5, as amended (collectively, the "Act" and this Ordinance);

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

Section 1: Issuance of the Refunding Bonds. The Town, acting by and through the Town Council and as the owner and operator of the Waterworks for the furnishing of the public water supply to the Town and its inhabitants, now finds it necessary to provide funds for the refunding of the Refunding Bonds (referred to herein as the "Refunding").

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 "Waterworks", "waterworks", "works" and similar terms used in this Ordinance shall be construed to mean and include the existing structures and property of the Waterworks and all enlargements, improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired. The refunding bonds herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

Section 2: The Refunding Bonds. In Accordance with the Act and for the purpose of providing funds with which to pay the costs of the Refunding, together with authorized expenses relating thereto, including the costs of issuance of the Refunding Bonds on account thereof, the Town shall issue and sell its waterworks refunding revenue bonds in the aggregate principal of not to exceed One Million One Hundred Thousand Dollars (\$1,100,00). The principal of, redemption premium, if any, and interest on the Refunding Bonds shall be payable solely out of the Bond and Interest Redemption Account referred to below, on a parity with the Prior Bonds.

The Refunding Bonds shall be designated as the "Town of Lapel, Indiana, Waterworks Refunding Revenue Bonds, Series 2021A". The Refunding Bonds shall be issued in an aggregate principal amount of not to exceed One Million One Hundred Thousand Dollars (\$1,100,00). The Refunding Bonds shall be issued as fully registered bonds in denominations of Five Thousand Dollars (\$5,000) and any integral multiple thereof (or such higher minimum denominations as the Clerk-Treasurer shall determine prior to the sale of the Refunding Bonds), not exceeding the aggregate principal amount of the Refunding Bonds maturing in any one year, shall be numbered consecutively from 21AR- 1 upward and shall bear interest at a rate not to exceed four percent (4.0%) per annum (the exact rate or rates to be determined by negotiation or by bidding). Interest on the Refunding Bonds shall be calculated on the basis of twelve (12) thirty (30)- day months for a three hundred sixty (360) day year and shall be payable semiannually on January 1st and July 1st in each year (or, if so determined prior to the issuance of the Refunding Bonds, annually on January 1st of each year) (each an

"Interest Payment Date"), commencing not sooner than January 1st, 2022, until principal is fully paid. The principal of the Refunding Bonds shall mature serially commencing not sooner than January 1st, 2022, over a period of not more than twenty (20) years. The final amortization schedule for the Refunding Bonds shall be established by the Clerk-Treasurer as set forth in the Clerk-Treasurer's Certificate (as hereinafter defined) prior to the sale of the Refunding Bonds.

The Refunding Bonds shall bear an original issue date which shall be the date of issuance of the Refunding Bonds, and each Refunding Bond shall also bear the date of its authentication. Any Refunding 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. Any Refunding Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest thereon has been paid or duly provided for, unless such Refunding 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 a paying agent for the Refunding Bonds (the "Registrar" and "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 Refunding 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 Bond and Interest Redemption Account continued by this Ordinance.

The Registrar and Paying Agent 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 Refunding 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 Refunding Bonds then outstanding by first-class mail of the remove of the Registrar and Paying Agent. Notices to registered owners of the Refunding 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 Payng Agent shall deliver all of the Refunding 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 Refunding 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 for the Refunding Bonds and shall be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

Principal of and any redemption premium on the Refunding Bonds shall be payable at the principal office of the Paying Agent. Interest on the Refunding Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the 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 Refunding Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

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

In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new Refunding Bond of like date, maturity and denomination as the mutilated, lost, stolen, or destroyed Refunding Bond, which new Refunding Bond shall be marked in a manner to distinguish it from the Refunding Bond for which it was issued; provided, that in the case of any mutilated Refunding Bond, such mutilated Refunding Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Refunding Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Town and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Refunding Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Refunding Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Refunding Bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Refunding Bond. The Town and the Registrar and Paying Agent may charge the owner of any such Refunding Bond with their reasonable fees and expenses in connection with the above. Every substitute Refunding Bond issued by reason of any Refunding Bond being lost, stolen or destroyed shall, with respect to such Refunding Bond, constitute a substitute

contractual obligation of the Town pursuant to this Ordinance, whether or not the lost, stolen or destroyed Refunding Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Refunding Bonds duly issued hereunder.

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

Section 3. Option Redemption of the Refunding Bonds: Term Bonds. The redemption provisions, including redemption dates and prices, with respect to the Refunding Bonds shall be set forth in the Clerk-Treasurer's Certificate prior to the sale of such Refunding Bonds.

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days prior to the scheduled redemption date to each of the registered owners of the Refunding Bonds 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 any failure to give such notice by mailing, or any defect therein, with respect to any Refunding Bond shall not affect the validity of the proceedings for the redemption of any other Refunding 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 Refunding Bonds 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 Refunding Bonds (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 Refunding Bonds (or portions thereof) are presented for payment. Any Refunding Bond redeemed in part may be exchanged for a Refunding Bond or Refunding Bonds of the same maturity in authorized denominations equal to the remaining principal amount thereof.

Upon the payment of the redemption price of the Refunding Bonds (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 Refunding Bonds (or portions thereof) being redeemed with the proceeds of such check or other transfer.

As determined by the Clerk-Treasurer, with the advice of the financial advisor to the Town, as set forth in the Clerk-Treasurer's Certificate, all or a portion of the Refunding Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments ("Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities as determined by the Clerk-Treasurer, with the advice of the financial advisor to the Town, as set forth in the Clerk-Treasurer's Certificate.

In the event that the Clerk-Treasurer opts to aggregate certain Refunding Bonds into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest at the redemption date, but without premium, on the dates and in the principal amounts set forth in the Clerk-Treasurer's Certificate.

The Registrar shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any Refunding 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. Earth Bond is purchased shall be credited by the Registrar at 100% of the principal amount thereof against their 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 denomination of principal amount of each Bond as a separate Bond for such purpose) the Refunding Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on a mandatory redemption date.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in this Section 3 of this Ordinance.

Section 4. Execution and Authentication of the Refunding Bonds. The Refunding Bonds shall be executed in the name of the Town by the manual or facsimile signature of the President of the Town Council (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 Refunding Bonds. The Refunding Bonds shall be authenticated by the manual signature of the Registrar, and no Refunding Bond shall be valid or obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any Refunding Bond shall cease to be such official before the delivery of such Refunding Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Refunding Bonds, the Refunding Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

The Refunding 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, or 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 Refunding Bonds, as are necessary or appropriate to accomplish or recognize such book-entry from Refunding Bonds.

During any time that the Refunding Bonds are held in book-entry form on the books of a Clearing Agency (1) any such Refunding Bond may be registered upon 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 Refunding Bond is so registered shall be, and the Town and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Refunding Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of, premium, if any, on and interest on such Refunding Bond, the receiving of notice and giving of consent; (3) neither the Town nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Refunding Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Refunding Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal, premium, if any, or interest on any Refunding BONds, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Refunding Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

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

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

During any time that the Refunding 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 5. Security and Sources of Payment for the Refunding Bonds. The Refunding Bonds, when fully paid for and delivered to the purchaser thereof, together with any other bonds issued on a parity therewith, as to

both principal and interest, shall be valid and binding special revenue obligations of the Town, payable, on a parity basis with the Prior Bonds, solely from and secured by an irrevocable pledge of and constituting a charge upon all of the Net Revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair, and maintenance) derived from the Waterworks, 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 Bond and Interest Redemption Account as herein provided. The Town shall not be obligated to pay the Refunding Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Refunding Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 6. Form of the Refunding Bonds. The form and tenor of the Refunding Bonds shall be substantially set forth in Appendix A attached hereto and incorporated herein as if set forth at this place (with blanks to be properly completed prior to the preparation of the Refunding Bonds)

Section 7. Issuance, Sale and Delivery of the Refunding Bonds. The Clerk-Treasurer is hereby authorized and directed to have the Refunding Bonds prepared, and the Town Council President and the Clerk-Treasurer are each hereby authorized and directed to execute the Refunding Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Refunding Bonds to the purchaser or purchasers thereof after the 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 97.0% of the par amount of the Refunding Bonds (or such higher percentage of the par amount of the Refunding Bonds as the Clerk-Treasurer shall determine prior to the sale thereof), plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Refunding Bonds shall be and are hereby set aside for application to the costs of the Refunding, together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Refunding Bonds. 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 Refunding Bonds may, in the discretion of the Clerk-Treasurer, be sold either at public sale or by private negotiation.

Prior to the delivery of the Refunding Bonds, the Clerk-Treasurer, subject to the approval 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 Refunding Bonds and to obtain a legal opinion as to the validity of the Refunding Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the Town, with such opinion to be furnished to the purchaser of the Refunding Bonds at the expense of the Town. The costs of obtaining such insurance, other credit enhancement and/or credit ratings, together with bond counsel's fee for delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Refunding Bonds, shall be considered as a part of the costs of the Refunding and shall be paid out of the proceeds of the Refunding Bonds.

Section 8. Disposition of Proceeds of the Refunding Bonds. Concurrently with the delivery of the Refunding Bonds, the Clerk-Treasurer shall apply a portion of the proceeds thereof, together with other available funds of the Town, to fully redeem the Refunded Bond at the earliest opportunity. The proper officers of the Town are hereby authorized and directed to take all actions deemed necessary or appropriate to effectuate the Refunding, including entering into an escrow agreement with a qualified financial institution.

Section 9. Segregation and Application of Waterworks Revenue. All revenues derived from the operation of the waterworks and from the collection of water rates and charges shall be segregated and kept in a special fund separate and apart from all other funds of the Town. Out of this fund the proper and a response expenses of operation, repair and maintenance of the waterworks shall be paid and the requirements of the Bond and Interest Redemption Account shall be met.

The income and revenues of the Waterworks shall be segregated and set aside into a special fund separate and apart from all other funds of the Town heretofore established and designated as the "Town of Lapel, Indiana, Waterworks Special Fund" (the "Special Fund") to be used and applied in the operation, repair and maintenance thereof, in the payment of the principal of and interest on the then outstanding bonds of the Waterworks and in establishing a reserve for such payment, in establishing an improvement account and for other purposes of the Waterworks, all as follows:

(a) Operation and Maintenance Account. On the last day of each calendar month, a sufficient amount of the gross revenues of the Waterworks shall be paid into an account of the Special Fund heretofore established and hereby continued and designated as the "Town of Lapel, Indiana, Waterworks Operation and Maintenance Account" (the "Operation and Maintenance Account") for the payment of all necessary and reasonable expenses of operation, repair and maintenance of the Waterworks for the then next succeeding two calendar months.

(b) Bond and Interest Redemption Account. There is hereby continued an account of the Special Fund previous established by the Town designated as the "Town of Lapel, Indiana, Bond and Interest Redemption Account" (the "Bond and Interest Redemption Account"), which account shall be used for the payment of the interest on and principal of the then outstanding bonds of the Waterworks and the payment of any fiscal agency charges in connection with the payment of such principal and interest thereon. Said account shall be continued until all outstanding bonds of the Waterworks, including the Refunding Bonds, have been paid. The Bond and Interest Redemption Account consists of a Debt Service Subaccount and a Reserve Subaccount. As available, there shall be paid into the Debt Service Subaccount of the Bond and Interest Redemption Account a sufficient amount of the net revenues of the Waterworks for the payment of (a) the interest on the Refunding Bonds, the Prior Bonds and any other bonds hereafter issued and payable by their terms from the net revenues of the Waterworks, as such interest shall fall due; (b) the necessary fiscal agency charges for paying such bonds and interest; and (c) the principal of the Refunding Bonds, the Prior Bonds and any other bonds hereafter issued and payable by their terms from the net revenues of the Waterworks, as such principal shall fall due. The monthly payments into the Debt Service Subaccount of the Bond and Interest Redemption Account shall be in an amount equal to at least one-sixth (1/6) (one-twelfth (1/12) if interest on the Refunding Bonds is payable on an annual basis) of the amount required for the payments of interest on the Bonds and all other bonds

hereafter issued and payable by their terms from the revenues of the Waterworks during the next succeeding six (6) months (twelve (12) months if interest on the Refunding Bonds is payable on an annual basis) and an amount equal to one-twelfth (1/12) of the amount required during the next succeeding twelve (12) calendar months for payments into the Debt Service Subaccount of the Bond and Interest Redemption Account for the purposes described herein other than the payment of interest.

All of the net revenues of the Waterworks not used in making the required Debt Service Subaccount payments shall next be set aside as available and paid into the Reserve Subaccount account monthly until there has been accumulated therein an amount equal to the least of (a) the maximum annual debt service on all bonds payable from the net revenues of the Waterworks, (b) 125% of the average annual debt service on all bonds payable from the net revenues of the Waterworks, or (c) ten percent (10%) of the proceeds of all bonds payable from the net revenues of Waterworks (the least of (a), (b) and (c) is herein referred to as the "Reserve Requirement"), until there has been accumulated in the Reserve Subaccount an amount equal to the Reserve Requirement. However, the Reserve Requirement shall be equal to the maximum annual debt service on all bonds payable from the net revenues of the Waterworks for so long as as any such bonds are held by the Indiana Finance Authority

In no event shall any part of the Bond and Interest Redemption Account be used in calling Refunding Bonds for redemption prior to maturity, except to the extent that the amount then in Bond and Interest Redemption Account exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next succeeding the date of said redemption, together with all interest on the Refunding Bonds payable in said period. Any excess of funds above said required level may also be used in purchasing outstanding bonds at a price less than the then applicable redemption price. Moneys in the Bond and Interest Redemption Account shall not be used for any other purpose whatsoever except as provided in this Ordinance.

(b) Improvement Account. In the event all required monthly deposits into the Bond and Interest Redemption Account have been made, then any excess net revenues of the Waterworks shall be deposited monthly as available into an account of the Special Fund previous established and continued hereby as the "Town of Lapel, Indiana, Waterworks Improvement Account" (the "Improvement Account"), to be used to pay the cost of additions, improvements, replacements and repairs to the Waterworks. No revenues of the Waterworks shall be deposited in or credited to the Improvement Account which will interfere with the requirements of the Bond and Interest Redemption Account.

In the event of any deficiency at any time in the Bond and Interest Redemption Account for the purposes of paying the interest on or principal of bonds payable therefrom or any required fiscal agency charges, funds may be withdrawn from the Improvement Account for deposit into the Bond and Interest Redemption Account in the amount of such deficiency.

Any revenues remaining after meeting the requirements of the Operation and Maintenance Account, the Bond and Interest Redemption Account and the Improvement Account may be used for any lawful purposes

including payments in lieu of taxes which would be payable if the Town's Waterworks were privately owned and transfers to the Town's General Fund or any other fund of the Town.

All of the amounts in the several funds and accounts created and/or continued pursuant to this Section 9 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 Indiana Code [5-13-9](#). The amounts in the Bond and Interest Redemption Account and all other funds and accounts created pursuant to this Section 9 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 Waterworks be transferred or used for any purpose not authorized by this Ordinance so long as any of the bonds issued pursuant to the provisions of this Ordinance shall be outstanding.

Section 10. Books of Records and Accounts. The Town shall keep proper books of record and accounts, separate from all of its other records and accounts, in which completed and accurate entries shall be made and showing all revenues collected from said works and deposited in such accounts and all disbursements made therefrom on account of the operation of the works, and to satisfy the requirements of the Bond and Interest Redemption Account and all other financial obligations relating to said works. There shall be prepared and furnished upon written request, to the holders of the Refunding Bonds at the time then outstanding, not more than ninety (90) days after the end of each fiscal year, complete financial statements of the works, covering the preceding year, which annual statements shall be certified by the Clerk-Treasurer, or by licensed certified public accountants employed for that purpose. Copies of all such statements and reports shall be kept filed in the office of the Clerk-Treasurer. Any owner or owners of at least five percent (5%) of the Refunding 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 shall be performed by representatives duly authorized by written instrument.

Section 11. Rates and Charges. The Town, to the fullest extent permitted by law, shall fix, maintain and collect reasonable and just rates and charges for the use of and the services rendered by the Waterworks so that such rates and charges shall produce revenues at least sufficient each year to (a) pay all the legal and other necessary expenses incident to the operation of the Waterworks, including maintenance costs, operating charges, upkeep, repairs, depreciation charges on bonds or other obligation, including leases; (b) provide a sinking fund for payment of bonds or other obligations, including leases; (c) provide a debt service reserve for all 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 improvements; and (f) provide money for the payment of any taxes that may be assessed against the Waterworks.

So long as any of the Refunding Bonds are outstanding, none of the facilities and services afforded by the Waterworks 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 Waterworks 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 received shall be deemed to be revenue derived from the operation of the Waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the Waterworks.

Section 12. 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 Refunding Bonds then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provided sufficient funds; or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provisions be made for paying all fees and expenses for the redemption, then and in that case the Refunding Bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the Town's Waterworks.

Section 13. Sale, Lease, Mortgage or Disposition of the Waterworks. For purposes of safeguarding the interests of the owners of the Refunding Bonds, the Town covenants, represents and agrees as follows:

(a) The Town will not sell, lease, mortgage, pledge or otherwise dispose of or encumber the Waterworks or any component or part thereof except as permitted in this Section 13.

(a) The Town may sell, scrap, discard or otherwise dispose of materials relating to the Waterworks being replaced in the ordinance course of business of the Waterworks. The proceeds, if any, received front the sale of such materials relating to the Waterworks shall be deposited into and credited to the Improvement Account.

(b) The Town may sell or otherwise dispose of equipment or fitures of the Waterworks under the following conditions:

(1) If the book value of such property, as determined by consulting engineers employed by the Town, together with the book value of all such property previous sold, scrapped, discarded or disposes of under this Section 13(c) in such fiscal year, does not exceed two percent (2%) of the book value of the Waterworks, then such property may be sold or otherwise disposed of in accordance with the Act, so long as the Town Council (by affirmative vote at a meeting duly called and held) (i) finds that such property is no longer necessary, useful or profitable in the operation of the Waterworks and (ii) authorized the sale or other disposition of such property. Any proceeds received from the sale of such property shall be deposited into and credited to the Improvement Account.

(2) If the book value of such property, together with the book value of all such property previously sold, scrapped, discarded or disposed of under this Section 15(c) in such fiscal year, exceeds two percent (2%) of the book balue of the Waterworks, then such property may be sold or otherwise disposed of upon the affirmative vote of the Town Council, as provided in subsection (c)(1) herein, if the consulting engineers employed by the

Town submit to the Town Council a written determination that (A) the sale or other disposition of such property will not materially and adversely affect the operation of the Utility or the Town's ability to meet its obligations under this Ordinance or (B) such property is no longer necessary, useful or profitable in the operation of the Waterworks. Any proceeds derived from the sale of such property shall be deposited into and credited to the Improvement Account.

Section 14. Additional Bonds. The Town reserves the right to authorized and issue additional bonds payable of of the net revenues of its Waterworks, ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the Waterworks, subject to the following conditions:

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

(a) The net operation revenues of the Waterworks in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this section 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 to be issued; or, prior to the issuance of said parity bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's revenues would have produced net operating revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes thereof the records of the Waterworks shall be analyzed and all showings shall be prepared by certified public accountants employed by the Town for that purposes.

(b) The principal of said additional parity bonds shall be payable on January 1st and the interest on said additional parity bonds shall be payable on the same Interest Payment Dates as the Refunding Bonds.

Section 15. Additional Covenants of the Town. For the purpose of further safeguarding the interests of the owners of the Refunding Bonds herein authorized, it is specifically provided as follows:

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

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

(b) Except as hereinbefore provided in Section 14 hereof, so long as any of the Refunding Bonds herein authorized are outstanding, no additional bonds or other obligations payable from any portion of the revenues

of the Waterworks 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 cancelled pursuant to Section 12 hereof coincidentally with the delivery of such additional bonds or other obligations.

(c) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds for the uses and purposes herein set forth and, so long as any of the Refunding Bonds are outstanding, the provisions of this Ordinance shall also be construed to create a trust in the revenues of the Waterworks herein directed to be set apart and paid into the Bond and Redemption Account for the uses and purposes of such Account as set forth in this Ordinance.

(d) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Refunding Bonds, all of the terms of which shall be enforceable at law or in equity, and after the issuance of the Refunding Bonds this Ordinance shall not be repealed or amended in any respect would adversely affect the rights and interests of the owners of the Refunding 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 or interest on the Refunding Bonds remains unpaid; provided, that the Town shall have the right to amend this Ordinance, under certain circumstances, without notice to or approval by any owners of the Refunding Bonds in accordance with Section 18 of this Ordinance. The owners of the Refunding Bonds shall have all of the rights, remedies and privileges provided in the Act and under Indiana law.

Section 16. Permitted Actions Relating to Preservation of Exclusion of Interest from Federal Gross Income.

(a) The Clerk-Treasurer is hereby authorized to invest moneys pursuant to the provisions of this Ordinance at a restricted yield (subject to applicable requirements of federal law to insure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Refunding Bonds, or the tax-exempt status of interest on the Refunding Bonds, under federal law.

(a) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys 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 17. Tax Covenants. In order to preserve the exclusion of interest on the Refunding Bonds from gross income for federal income tax purposes and as an inducement to the holders of the Refunding 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 Refunding Bonds or property secured by the Refunding Bond proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by the Refunding 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 contract that differentiates that person's or entity's use of such property from the use by the public at large.

(a) No Refunding Bond proceeds will be loaned to any entity or person. No Refunding Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a non-governmental persona in any manner that would in substance constitute a loan of the Refunding Bond proceeds.

(b) The Town will not take, or cause or permit to be taken by it or by any party subject to its control, or fail to take or cause or permit to fails to be taken by it or by any party under its control, any action with respect to the Refunding Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Refunding Bonds pursuant to Section 103 of the Code, nor will the Town act in any other manner which would adversely affect such exclusion. The Town further covenants that it will not make any investment or do any other act or thing during the period that any Refunding Bond is outstanding hereunder which would cause any Refunding 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 Refunding Bonds.

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

(d) 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 Refunding 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 Refunding Bonds are issued and (ii) the commitments made herein by the Town regarding the amount and use of the proceeds of the Refunding Bonds.

(e) 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 Refunding Bonds from gross income for purposes of federal income taxation, as described in this Section 19.

Section 18. Supplemental Ordinances. Without notice to or consent of the owners a majority of bonds herein authorized, the Town may, from time to time and at any time adopt an ordinance supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

(a) 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;

(a) 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 be prejudice of the owners of the bonds herein authorized;

(b) To modify, amend or supplement this Ordinance to permit the qualifications 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;

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

(d) 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

(e) 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 18, and not otherwise, the owners of not less than sixty-six and two-thirds percent ($66\frac{2}{3}\%$) 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 or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however that nothing herein contained shall permit or be construed as permitting:

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

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

(g) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this ordinance; or

(h) A preference or priority of any bond or bonds issued pursuant to this ordinance over any other bond or bonds issued pursuant to the provisions of this ordinance; or

(i) A reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

The owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of adoptions 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 of the Town. No owner of any bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified, and amended in accordance therewith, and the respecting 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 respect 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 19. Repeal of Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 20. Rates and Charges. The estimate of the rates and charges which will be needed and charged to the general classes of users or property to be served by the waterworks in order to provide sufficient moneys to make payments of principal of and interest on the Refunding Bonds along with the other payments identified in this Ordinance, is set forth in an ordinance entitled "An Ordinance Amending Ordinance No 8-2010". Establishing New Rates and Charges for the Use and Services Rendered by the Water Works System of the Town of Lapel, Indiana," adopted on October 20, 2011.

Section 21. Compliance with Tax Sections. Notwithstanding any other provisions contained in 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 Refunding Bonds or the exclusion of interest on the Refunding 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 22. Qualified Tax-Exempt Obligations. The Refunding Bonds 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 2021 does not exceed \$10,000,000. The designation set

forth in this Section 22 as to the Refunding Bonds may be revoked by the Clerk-Treasurer in the Clerk-Treasurer's Certificate.

Section 23. Clerk-Treasurer's Certificate: Disclosure. The Clerk-Treasurer shall, prior to the sale of the Refunding Bonds, set forth in a certificate (the "Clerk-Treasurer's Certificate") the amortization schedule for the Refunding Bonds, the percentage of par at which the Refunding Bonds shall be sold and any other matters required by this Ordinance to be provided in the Clerk-Treasurer's Certificate.

If required by the Rule hereinafter defined, the Refunding Bonds shall be offered and sold pursuant to an Official Statement with respect to the Refunding 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 authorized 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 as the final Official Statement with respect to the Refunding 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 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 Refunding 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 24. Further Actions. The Town Council hereby requests, authorizes and directs the Town Council President and the Clerk-Treasurer, and each of them, for and on behalf of the Town, to prepare, execute and deliver any and all other instruments, letters, certificates, and documents as are determined to be necessary or appropriate to consummate the actions contemplated by this Ordinance, and such determination shall be conclusively evidenced by delivery thereof. The instruments, letters, certificates, agreements and documents necessary to consummate the transactions contemplated by this Ordinance shall, upon execution, as set forth herein, constitute the valid and binding obligations or representations and warranties the full performance and satisfaction of which by the Town are hereby authorized and directed.

Section 25. Payments on Holidays. If the date of making any payment or the last date for the 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 city or town in which the Registrar and Paying Agent is located are typically closed, such payment may be made or act performed or done 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 of this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 26. Partial Invalidity. If any section, paragraph or provisions 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 27. 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 28. Effectiveness. This ordinance shall be in full force and effect from and after its passage.

APPENDIX A TO THE BOND ORDINANCE

FORM OF REGISTERED BOND

UNITED STATES OF AMERICA

STATE OF INDIANA, COUNTY OF MADISON

TOWN OF LAPEL, INDIANA

WATERWORKS REFUNDING REVENUE BOND, SERIES 2021A

The Town of Lapel (the "Town"), in Madison 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, on January 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 interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, and unless this bond is authenticated on or before in which case it shall bear interest from the Original Date, which interest is payable on January 1, 20....., and annually on each January 1 thereafter. Interest shall be calculated on the basis of a three hundred sixty-five (365) 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"). Interest hereon will be paid

by cash or draft mailed or delivered to the Registered Owner 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 provided to the Paying Agent in writing by such Registered Owner. 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.

THE TOWN IS NOT AND SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL 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.

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 the 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 benefit under the Ordinance unless and until the certificate of authentication hereon shall have been executed by a duly authorized representative of the Registrar.

This bond is one of an authorized issue of bonds of the Town of Lapel, Indiana, of like date, tenor and effect, except as to number, interest rates and dates of maturity, in the total amount of Dollars (\$.....) numbered 21AR-1 upward, issued for the purpose of providing funds to pay the cost of refunding certain outstanding waterworks revenue bonds of the Town and paying 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, 2021 entitled "AN ORDINANCE AUTHORIZING THE CURRENT REFUNDING OF THE TOWN OF LAPEL, INDIANA, WATERWORKS REVENUE BONDS, SERIES 2000, THE ISSUANCE AND SALE OF REFUNDING REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS AND OTHER RELATED MATTERS" (the "Ordinance"), and in strict compliance with the provisions of the Indiana Code 8-1.5, Indiana Code 5-1-5, and the laws amendatory thereof and supplemental thereto (the "Act").

This bond is issuable only in fully registered form in the denomination of \$..... or an 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 any bonds thereafter issued ranking on a parity therewith, are payable, on a parity basis with the Prior Bonds (as defined in the Ordinance), solely from the "Waterworks Special Fund" created by the Ordinance (the "Special Fund") to be provided from the net revenues (herein defined as the gross revenues of waterworks of the Town remaining after payment of reasonable expenses of operation, repair and maintenance) of the waterworks of the Town.

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.

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 the waterworks so that such rates and charges will provide revenues at least sufficient in each year to pay all the legal and other necessary expenses incident to the operation of the waterworks, including maintenance costs, operating charges, upkeep, repairs, and interest charges on bonds or other obligations, including leases; (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; and provide money for the payment of any taxes that may be assessed against the waterworks; 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 the 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 collecting of reasonable and sufficient rates lawfully established for services rendered by the waterworks, the segregation of the income and revenues of the waterworks, and the segregation of the revenues and the respective funds and accounts as specified in the Ordinance.

The bonds of this issue are subject to redemption prior to maturity, at the option of the Town, in whole or in part, on any date on or after, in 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 one hundred percent (100%) of the principal amount of each bond to be redeemed, plus accrued interest to the date of redemption.

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) days prior to the date fixed for redemption, unless notice is waived by the Registered Owner; provided, however, that failure to give such notice, or any defect therein, with respect to any such bond will not affect the validity of notice of redemption of any other such bonds. The notice shall specify the redemption 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 any 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 of and premium, if any, and interest, so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and interest on which when due will provide sufficient moneys 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 moneys for such purpose, shall be held in trust for such purpose, and provision shall 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 waterworks or an obligation of the Town.

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 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 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 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 hereof 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 delivery 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, however, that in the case of this bond being mutilated, this bond shall first be surrendered to the Registrar, and in the event 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 the 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 any time, and shall be entitled to all the benefits of the Ordinance, equally and ratably with any and all other bonds duly issued thereunder.

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

In the manner provided in the Ordinance, the Ordinance and the rights and obligations of the Town and the owners of the bonds of the issue authorized thereunder, including this bond, may, subject to certain exceptions as stated in the Ordinance, be modified or amended with the consent of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 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 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 Lapel, in Madison County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the President of its Town Council, and its corporate seal be hereunto affixed and attested by the signature or facsimile signature of its Clerk-Treasurer.