

**Madison City Council Meeting Agenda**  
**Wednesday, October 12, 2022 @ 5:30 pm**

- A. Lord's Prayer/Pledge of Allegiance
- B. Calling of Roll and notice of absentees
- C. Reading, approving, correcting, or disposing of minutes from prior meeting
- D. Presentation of petitions, memorials, remonstrance's, introduction of motions and guests
- E. Resolutions or bills
- F. Reports, recommendations, and other business from standing/select study committees of the city council
- G. Reports of City Officials
- H. Bills on third reading
  
- I. Bills on second reading
  - Ordinance 2022-23: Notice to Taxpayers regarding 2023 Budget
  - Ordinance 2022-24: Fixing Compensation of Elected Officials for 2023
  - Ordinance 2022-25: Fixing Salaries of Appointed Officers and Employees for 2023
  - Ordinance 2022-29: Madison Waterworks Revenue Bond Sponsor J. Bartlett
  
- J. Miscellaneous
- K. Public Comments
- L. Mayor's Comments
- M. Next Council Meeting: Tuesday, October 18, 2022 @ 5:30 pm.
- N. Motion to Adjourn

**CITY OF MADISON  
COMMON COUNCIL MINUTES  
October 4, 2022**

The Common Council of the City of Madison, Indiana, met in regular session at 5:30 P.M at City Hall, 101 W. Main St.

Mayor Courtney opened the meeting with the Lord's Prayer followed by the Pledge of Allegiance to the Flag.

**Present:** Thevenow, Krebs, L. Dattilo, J. Bartlett, C. Chatham, D. Dattilo, J. Schafer via Teams. (7-0)

**MINUTES:**

Thevenow made a motion to approve September 22, 2022, minutes, seconded by Krebs. L. Dattilo abstained from vote, as she was not in attendance at this meeting. All in favor, motion carried (6-0 with 1 abstaining).

**PRESENTATION OF PETITIONS, MEMORIALS, REMONSTRANCE'S, INTRODUCTION OF MOTION & GUESTS:** None

**RESOLUTIONS OR BILLS:**

**RESOLUTION 42C-2022**

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
FUND TRANSFER FROM WILSON AVE GRANT MATCH TO TIF**

Thevenow moved to approve resolution, seconded by Krebs.

**Roll Call Vote:** P Thevenow-Y, C Krebs-Y, J Schafer-Y, C Chatham-Y, J Bartlett-Y, L Dattilo-Y, D Dattilo-Y (7-0)

**ORDINANCE 2022-26 (Chatham)**

**CREATING OAK HILL PARK DONATION FUND**

An account shall be established to deposit monies for Oak Hill Neighborhood Park with the funding coming from donations, fundraisers, merchandise, sponsorships, appropriations, from City accounts, and any other lawful source. Funds in the account will be expended only for the exclusive purpose of paying for the improvements and maintenance of Oak Hill Neighborhood Park.

**ORDINANCE 2022-27 (Bartlett)**

**CREATING FUNDS FOR READI GRANT PROJECTS**

**ORDINANCE 2022-28 (THEVENOW)**

**AMENDING SECTION 151.04 OF THE HISTORIC DISTRICT ORDINANCE**

**ORDINANCE 2022-29 (Bartlett)**

**MADISON WATERWORKS REVENUE BOND**

Joe Jenner asked for a motion to suspend the rules to forego a reading of the ordinance in its entirety. L. Dattilo motioned to suspend the rules to read-only, seconded by Krebs. All in favor, motion carried (7-0).

**REPORTS, RECOMMENDATIONS, AND OTHER BUSINESS FROM STANDING/SELECT COMMITTEES OF CITY COUNCIL:** None

**REPORT OF CITY OFFICIALS:** None

**BILLS ON THIRD READING:**

**ORDINANCE 2022-19 (Thevenow)**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
AMENDING THE HISTORIC GUIDELINES FOR THE HISTORICAL DISTRICT OF THE CITY OF  
MADISON, INDIANA**

**Roll Call Vote:** P Thevenow-Y, C Krebs-Y, L Dattilo- Y, J Schafer-Y, C Chatham-Y, J Bartlett-Y, D Dattilo-Y: (7-0).

**ORDINANCE 2022-20 (Chatham)**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
PROVIDING FOR THE RESTRICTING IN COMPLIANCE WITH IC-36-4-6-4**

**Roll Call Vote:** Chatham-Y, D. Dattilo-Y, Bartlett-Y, Schafer-Y, L. Dattilo-Y, Krebs- Y, Thevenow- Y (7-0).

**BILLS ON SECOND READING:**

**ORDINANCE 2022-21 (Krebs)**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
AMENDING THE LOCAL PLAN FOR EXPENDITURES OF ARP FUNDS**

Mayor Courtney gave an overview. The City of Madison received an appropriation of ARP funds of ~\$2.7 million to allocate to different areas. There are 6 categories: stormwater infrastructure, matching grant funds, speeding recovery of tourism, premium pay for essential workers, public revenue loss due to COVID, and City of Madison parks improvements. To date, \$681,000 have been used leaving the balance to appropriate: 50% to parks improvements, 22% to stormwater infrastructure, 4% to matching grant funds for public safety, 4% to speeding the recovery of tourism, 11% to premium pay for essential workers, and 10% for public sector revenue loss due to COVID. No questions or comments, moving on to the third reading.

**ORDINANCE 2022-22 (Krebs)**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
AMENDING SECTIONS 96.99, 98.06, SECTION 153, 155, AND 11.60 OF THE PLANNING,  
PRESERVATION, AND DESIGN SCHEDULE OF FEES**

Thevenow made a comment of objection saying the increases are too high, especially the introduction of an application fee. Thevenow moved to change the proposed fee for HDBR application fee from \$25 to \$0. No second made, the motion dies. Nicole Schell explained the current application has a fee of \$15 with a \$2 per sign charge that helps cover legal costs. L. Dattilo disagreed with Thevenow stating that \$17 won't stop anyone from participating in the historic guideline process. Moving on to third reading.

**PUBLIC COMMENT:** Jan Vetthus- agrees with her District 1 representative that the fees are too high. She explained it is necessary to encourage people to do the right thing and that increasing the fees is offensive as a taxpayer and is not helpful to charge people to get them to do something they are not comfortable with. It was explained that there has been no shortage of applications, and people are accustomed to paying fees. Mayor Courtney explained that if the city wants to continue providing a high level of service and the minimal fees will not slow down growth or applications. Camille Fife agreed with Jan Vetthus.

**ORDINANCE 2022-23 (Council)**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
NOTICE TO TAXPAYERS REGARDING THE 2023 BUDGET**

Matt and Mickey, from Reedy Financial, explained the new approach to budget and why this route was taken. Thevenow recommended tabling for the next special reading on October 12th, 2022. Thevenow motioned to table second reading until special meeting on October 12th, 2022, seconded by Bartlett.

**Roll Call Vote:** Krebs-Y, Thevenow-Y, L. Dattilo-Y, Schafer-Y, Chatham-Y, Bartlett-Y, D. Dattilo- Y (7-0).

**ORDINANCE 2022-24 (Council)**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA  
FIXING COMPENSATION OF ELECTED OFFICIALS FOR 2023**

Thevenow motioned to table second readings of ordinance 2022-24 and 2022-25 for the next special meeting on October 12th, 2022, seconded by Bartlett.

**Roll Call Vote:** Krebs- Y, Thevenow- Y, L. Dattilo- Y, Schafer- Y, Chatham- Y, Bartlett- Y, D. Dattilo- Y (7-0).

**ORDINANCE 2022-25 (Council)**  
**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA**  
**FIXING SALARIES OF APPOINTED OFFICERS AND EMPLOYEES FOR 2023**

Thevenow motioned to table second readings of ordinance 2022-24 and 2022-25 for the next special meeting on October 12th, 2022, seconded by Bartlett.

**Roll Call Vote:** Krebs- Y, Thevenow- Y, L. Dattilo- Y, Schafer- Y, Chatham- Y, Bartlett- Y, D. Dattilo- Y (7-0).

**PUBLIC COMMENT:** Mike Greco, 1106 East St- commented that one of the biggest problems with the historic board fees is that people do not understand rules and regulations and have misconceptions derived from rumors. Recommended posting the guidelines online to inform the public of the guidelines for specific projects. Camille Fife also reminded everyone the public the library has all the preservation briefs. Anyone can come and view those for the guidelines as well.

**MAYOR'S COMMENTS:** Mayor Courtney reminded the public of park improvement at Oak Hill groundbreaking on October 11th, 2022 @ 5:30pm. City of Madison Halloween celebration on October 29th, 2022, from 11 am-2 pm. Soup, Stew, Chili, and Brew, this weekend, October 8th, 2022.

The next meeting will be a special meeting held on Wednesday, OCTOBER 12th, 2022 @ 5:30 pm in City Hall.

**ADJOURN:** Dattilo motioned to adjourn, seconded by Krebs. All in favor (7-0).

APPROVED:

---

President Pro Tempore,

---

Kathleen M. Rampy, Clerk-Treasurer



**ORDINANCE NO 2022 - 24**

**AN ORDINANCE FIXING COMPENSATION OF ELECTED OFFICIALS  
OF THE CITY OF MADISON, INDIANA, FOR THE YEAR 2023**

**WHEREAS**, the Common Council of the City of Madison, Indiana will consider and take upon the proposed ordinance fixing annual compensation of all elected Officials for the calendar year 2023. The meeting was duly published as Provided in I.C. 36-4-7-2; and

**NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF  
MADISON, INDIANA, that:**

1. From and after the first day of January 2023, the compensation for the elected officials of the City of Madison, Indiana shall be hereby fixed as follows:

<b>MAYOR</b>	<b>\$77,207.75</b>
<b>CLERK TREASURER</b>	<b>\$67,435.50</b>
<b>COMMON COUNCIL MEMBERS</b>	<b>\$7,720.78</b>
<b>BOARD OF PUBLIC WORKS MEMBERS</b>	<b>\$1,750.00</b>

2. The Common Council of the City of Madison, Indiana as required by I.C. 36-4-7-2, hereby fix the annual compensation for all elected officials of the City of Madison, Indiana, beginning January 1, 2023, and continuing thereafter until changed as provided by law.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Councilman

(SEAL)

ATTEST

\_\_\_\_\_  
Kathleen Hosier Rampy, Clerk Treasurer

Presented by me to the Mayor of the City of Madison, Indiana, on the \_\_\_\_  
Day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Kathleen Hosier Rampy, Clerk Treasurer

Approved and signed this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Honorable Bob G. Courtney, Mayor  
City of Madison, Indiana

**ORDINANCE NO 2022 - 25**

**AN ORDINANCE FIXING SALARIES OF APPOINTED OFFICERS AND EMPLOYEES  
OF THE CITY OF MADISON, INDIANA, FOR THE YEAR 2023**

**BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA, that:**

1. From and after the first day of January 2023, the pay salary scale for the appointed officers and employees of the City of Madison, Indiana shall be hereby fixed as follows, to-wit:

**SALARY SCHEDULE AS PRESCRIBED**

**BY**

**MAYOR BOB G. COURTNEY**

**2023**

**TO THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA**

I, the undersigned, Bob G. Courtney, Mayor of the City of Madison, Indiana, as required by IC 36-4-7-3 and IC 36-8-3-3, hereby fix the salaries and pay schedule for appointed officers and employees of the City of Madison, Indiana, beginning January 1, 2023 and continuing thereafter until changed, and request such salary rates be approved by the Common Council.

The foregoing ordinance was passed and adopted by Common Council, City of Madison, Indiana at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Mayor Bob G. Courtney

\_\_\_\_\_  
Councilman

(SEAL)

ATTEST

\_\_\_\_\_  
Kathleen Hosier Rampy, Clerk Treasurer

## ANNUAL RATE SCHEDULE BY JOB CLASSIFICATION

2023

<u>JOB CLASSIFICATION</u>	<u>DEPARTMENT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
MAYOR'S EXECUTIVE ASSISTANT	MAYOR	\$35,000.00	\$55,000.00
DEPUTY MAYOR/CHIEF OF STAFF	MAYOR	\$45,000.00	\$70,000.00
HR GENERALIST	MAYOR	\$30,000.00	\$40,000.00
1 <sup>ST</sup> DEPUTY	CLERK-TREASURER	\$30,287.40	\$55,000.00
2 <sup>ND</sup> DEPUTY-BOOKKEEPER	CLERK-TREASURER/WATER/SEWER	\$30,287.40	\$55,000.00
3 <sup>RD</sup> DEPUTY-PAYROLL/COMPUTER SYSTEMS	CLERK-TREASURER 13%	\$4,290.00	\$7,150.00
	SEWER 87%	\$28,886.00	\$47,850.00
	TOTAL	\$33,176.00	\$55,000.00
4th DEPUTY-BUDGET/RECORDS	CLERK-TREASURER 50%	\$15,143.70	\$22,050.60
	SEWER 30%	\$9,086.00	\$13,230.80
	WATER 20%	\$6,057.70	\$8,819.80
	TOTAL	\$30,287.40	\$44,101.20
OFFICE MANAGER	SEWER/WATER/JC SEWER	\$34,320.00	\$49,907.00
ASSISTANT OFFICE MANAGER	SEWER/WATER/JC SEWER	\$28,600.00	\$42,471.00
BOOKKEEPER/CASHIER	SEWER/WATER/JC SEWER	\$27,799.20	\$41,280.00
UTILITY MANAGER	SEWER/WATER/JC SEWER	\$48,840.00	\$84,700.00
ENGINEER/INSPECTOR	COUNCIL	\$21,450.00	\$85,800.00
COMMUNITY RELATIONS DIRECTOR AND LEGISLATIVE AID	COMMUNITY RELATIONS	\$34,320.00	\$60,000.00
COMMUNICATIONS ASSISTANT	COMMUNITY RELATIONS	\$25,000.00	\$45,000.00
PART TIME ADMIN	COMMUNITY RELATIONS	\$18,000.00	\$25,000.00
ECONOMIC DEVELOPMENT DIRECTOR	ECONOMIC DEVELOPMENT	\$55,000.00	\$90,000.00
COMMUNITY OUTREACH COORDINATOR	ECONOMIC DEVELOPMENT	\$28,000.00	\$48,825.00
ECONOMIC DEVELOPMENT ADMIN. ASST.	ECONOMIC DEVELOPMENT	\$18,000.00	\$35,000.00
ASSOCIATE ECON. DEV. OFFICER/PROJECT			
MANAGER/GRANT ADMINSTRATOR	ECONOMIC DEVELOPMENT	\$35,000.00	\$50,000.00
PROJECT MANAGER/GRANT ADMINISTRATOR	ECONOMIC DEVELOPMENT	\$35,000.00	\$50,000.00
DIRECTOR OF PLANNING, PRESERVATION & DESIGN	PLANNING, PRESERVATION & DESIGN	\$34,320.00	\$60,000.00
PLANNING, PRESERVATION & DESIGN OFFICE COORDINATOR	PLANNING, PRESERVATION & DESIGN	\$30,000.00	\$47,132.00
BUILDING INSPECTOR	PLANNING, PRESERVATION & DESIGN	\$30,800.00	\$48,400.00
HISTORIC PRESERVATIONIST	PLANNING, PRESERVATION & DESIGN	\$30,000.00	\$48,000.00
ASSOCIATE PLANNER	PLANNING, PRESERVATION & DESIGN	\$35,000.00	\$50,000.00
NUISANCE OFFICER	PLANNING, PRESERVATION & DESIGN	\$15,000.00	\$40,000.00
AIRPORT MANAGER	AVIATION	\$34,320.00	\$60,000.00
AIRPORT ASSISTANT MANAGER	AVIATION	\$28,000.00	\$50,000.00
FIRE CHIEF	FIRE	\$22,000.00	\$47,300.00
POLICE CHIEF	POLICE	\$55,000.00	\$75,000.00
SECRETARY	POLICE	\$27,799.20	\$45,000.00
RECORDS CLERK	POLICE	\$27,799.20	\$40,000.00
MAJOR	POLICE	\$42,000.00	\$65,000.00
CAPTAIN	POLICE	\$38,500.00	\$63,000.00
LIEUTENANT	POLICE	\$36,850.00	\$58,000.00
SERGEANT	POLICE	\$35,750.00	\$55,000.00
PATROLMAN	POLICE	\$33,550.00	\$54,000.00
PATROLMAN 1ST CLASS	POLICE	\$35,200.00	\$55,000.00
POLICE OPERATIONS COMMAND STIPEND	POLICE	\$1,430.00	\$2,860.00
ANIMAL CONTROL OFFICER	POLICE	\$28,600.00	\$45,000.00

PARKS DIRECTOR/SUPT.	PARK	\$39,710.00	\$61,633.00
GOLF PRO	PARK	\$40,000.00	\$65,000.00
PROGRAM SUPV/NATURAL	PARK	\$34,430.00	\$46,274.80
SENIOR CITIZENS PROGRAM DIRECTOR	PARK	\$27,799.20	\$41,269.80
MAINTENANCE SUPERVISOR	PARK	\$35,200.00	\$55,000.00
ADMINISTRATIVE ASSISTANT	PARK	\$30,000.00	\$50,000.00
GREENSKEEPER	PARK	\$32,560.00	\$46,503.60
GOLF COURSE SUPT.	PARK	\$34,320.00	\$54,225.60
ASST. DIRECTOR/SPORTS COORDINATOR	PARK	\$34,650.00	\$54,797.60
STREET SUPER.	MVH/BPW/TSO	\$45,000.00	\$75,000.00
SANITATION SUPER	MVH/BPW/TSO	\$41,030.00	\$58,195.50
MVH CLERK	MVH/BPW/TSO	\$27,799.20	\$50,000.00
CITY WIDE MAINTENANCE COORDINATOR	ALL DEPARTMENTS	\$2,860.00	\$20,000.00

#### JOB CLASSIFICATION

#### ANNUAL RATE BY JOB CLASSIFICATION

	<u>DEPARTMENT</u>	<u>YEARLY RATE</u>
DEPUTY CHIEF EMS OPERATIONS	FIRE	\$5,720.00
DEPUTY CHIEF FIRE GROUND OPERATIONS	FIRE	\$10,500.00
DIVISION CHIEF TRAINING	FIRE	\$5,940.00
BATTALION CHIEF(S)	FIRE	\$10,000.00
DIVISION CHIEF FIRE INVESTIGATIONS	FIRE	\$880.00
SCHOOL PATROL	POLICE	\$4,400.00
PENSION SECRETARY	POLICE	\$1,760.00
CAMPSITE ATTENDANT	PARK	\$8,470.00
BOAT RAMP ATTENDANT	BPW/PARK	\$2,200.00
CITY ATTORNEY	ALL DEPTS.	\$15,532.00
ATTORNEY	PLAN COMMISSION	\$12,100.00
ATTORNEY	AVIATION	\$4,510.00
SECRETARY	AVIATION Minimum 2,028.00 Maximum	\$6,125.00

#### JOB CLASSIFICATION

##### Distribution & Collection System

	<u>DEPARTMENT</u>	<u>2022 MINIMUM</u>	<u>2022 MAXIMUM</u>
Meter Reader	Water/Sewer	11.50	24.21
Maintenance Person	Water/Sewer/Parks	11.50	24.21
Supervisor	Water/Sewer	17.96	29.15
<u>WPCF</u>			
Plant Operator	Sewer	11.50	25.03
Lab Tech	Sewer	15.00	26.02
Operations Manager	Sewer	17.96	28.04
Pretreatment Coordinator	Sewer	15.00	28.57
Supervisor	Sewer	19.54	30.31
<u>Office</u>			
Clerk / Parttime	All Departments	10.00	19.80
Project Manager	All Departments	14.00	30.80
<u>ALL DEPARTMENTS</u>			
Street Labor	BPW/MVH/TSO	12.50	25.00
Sanitation Driver	TSO	11.61	30.00
TSO Operator	TSO	14.79	30.00
Equipment Operator	BPW/MVH/TSO	15.00	25.00
Concrete / Tree Maintenance	BPW/MVH/TSO	14.57	25.00
Garage Mechanic	BPW/MVH/TSO/PARK/AVIATION	14.79	30.00
Crew Leader	BPW/MVH/TSO/PARK/AVIATION	15.15	30.00
Street Operations Deputy Supervisor	BPW/MVH/TSO	17.25	30.00
Sanitation Supervisor	TSO/MVH/BPW	17.96	30.00

Street Supervisor	MVH	19.40	30.00
Temp. / Summer	All Departments	7.65	18.70
On Call Stipend	All Departments		\$30/week
Sewer Stipend	Sewer	\$20/week	\$60/week
ERC (for INDOT) Stipend	All Departments	\$10/week	\$30/week
Personal Cell Phone Stipend	All Departments	\$5/week	\$10/week
General Labor	All Departments	8.00	\$20.46
Evidence Clerk P/T	Police	10.00	\$20.00
<b>SEASONAL HOURLY RATE BY JOB CLA</b>		<b>2022</b>	<b>2022</b>
TEMP MAINTENANCE	All Departments	7.91	\$16.50
LEAGUE DIRECTOR	Park	7.25	\$13.20
CONCESSION SUPERVISOR	Park	7.25	\$15.40
CONCESSION CASHIER	Park	7.25	11.00
SCOREKEEPER	Park	7.25	\$10.18
UMPIRES-REFEREES	Park	7.25	\$10.45
SWIM SUPERVISOR	Park	9.00	\$15.40
LIFEGUARD	Park	7.25	\$13.75
POOL MANAGER	Park	10.00	\$16.50
ASST. POOL MANAGER	Park	9.00	\$15.95
ACTIVITY DIRECTOR	Park	7.25	\$16.50
The City of Madison provides \$1000 per full-time employee or \$2000 per family per year in an insurance "Health Savings Account" that is maintained by the City's insurance provider.			

**MEMORANDUM REGARDING PROPOSED WATERWORKS BOND ORDINANCE  
MODIFICATIONS**

To: Joseph Jenner, Esq.

From: Tom Pitman, Barnes & Thornburg LLP

Date: October 11, 2022

Re: Summary of Proposed Modifications to Madison Waterworks Bond Ordinance

Joe, you have asked me to summarize proposed modifications to the Waterworks Bond Ordinance that was introduced at the Common Council meeting of October 4, 2022. These modifications can be summarized as follows.

1. Extension of maximum permissible term of bonds to 35 years from 30 years (with the expectation that the term of the bonds will in fact not exceed 30 years).
2. Clarification of which funds and accounts relating to waterworks revenues need to be kept separate from each other.
3. Correction of an internal section reference.
4. Addition of Exhibit B: Form of Financial Assistance Agreement. The Financial Assistance Agreement is the document in which the State Revolving Loan Fund ("SRF") agrees to purchase the City's waterworks bonds.

All of these changes are proposed to be made at the specific request of counsel to the SRF. Please let me know if you have questions or comments on the above. Thank you.

AN ORDINANCE OF THE CITY OF MADISON, INDIANA, AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION BY THE CITY OF MADISON, INDIANA, OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE CITY'S WATERWORKS, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS, AND OTHER RELATED MATTERS

WHEREAS, the City of Madison, Indiana (the "City"), has heretofore established and constructed and currently owns and operates a waterworks by and through its Board of Public Works and Safety furnishing the public water supply to the City and its inhabitants (the "Waterworks"), pursuant to the provisions of Indiana Code ("IC") § 8-1.5, as amended (the "Act"); and

WHEREAS, the Common Council (the "Common Council") of the City hereby finds that certain improvements and extensions to the Waterworks are necessary; and Commonwealth Engineers, of Indianapolis, Indiana, the consulting engineers employed by the City (the "Consulting Engineers"), have prepared and filed plans, specifications, and detailed descriptions and estimates of the costs of the necessary improvements and extensions to the Waterworks, 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 and extensions to the Waterworks 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 Common 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 Waterworks, and including all authorized expenses relating thereto, including the costs of issuance of bonds and, if necessary, bond anticipation notes, on account of the financing of all or a portion thereof, will be at least Twelve Million Dollars (\$12,000,000); and

WHEREAS, this Common 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 City to issue waterworks revenue bonds and, if necessary, bond anticipation notes, in an amount not to exceed Twelve Million Dollars (\$12,000,000); and

WHEREAS, the City desires to authorize the issuance of waterworks revenue bonds or, if necessary, bond anticipation notes, hereunder payable from the Net Revenues (as hereinafter defined) of the Waterworks, to finance the balance of the aforementioned costs of the Project); and

WHEREAS, this Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds (the "Bonds") and, if necessary, bond anticipation notes (the "BANs"), to provide the necessary funds to be applied to the cost of the

Project and authorized costs relating thereto, have been complied with in accordance with the provisions of the Act; and

WHEREAS, this Common Council consequently seeks to authorize the issuance of the Bonds and the BANs, if necessary, to finance the acquisition and construction of the Project pursuant to the Act and the sale of such Bonds or BANs either at public sale pursuant to the provisions of IC 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 City has no outstanding revenue bonds or other pledges against the Net Revenues of the Waterworks; and

WHEREAS, the City has heretofore withdrawn from the jurisdiction of the Indiana Utility Regulatory Commission for purposes of setting rates and charges and issuing debt with respect to the Waterworks; and

WHEREAS, the City may enter into a Financial Assistance Agreement, Financial Aid Agreement, Grant Agreement and/or Funding Agreement (substantially in the form of Exhibit B attached hereto and made a part hereof) with the Indiana Finance Authority (the "Authority") together with any subsequent amendments thereto (collectively, the "Financial Assistance Agreement") as part of its drinking water loan program, supplemental drinking water and wastewater assistance program, water infrastructure grant program, and/or water infrastructure assistance program (collectively, the "IFA Program"), established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, pertaining to the Project and the financing of the Project if any Bonds or BANs are sold to the Authority as part of its IFA Program; and

WHEREAS, the Common Council understands that for the Project to be permitted to be financed under the IFA Program, the City must (a) agree to own, operate and maintain the Waterworks and the Project for their useful life and (b) represent and warrant to the Authority that the City has no intent to sell, transfer or lease the Waterworks or the Project for their useful life; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA, AS FOLLOWS:

Section 1. Acquisition and Construction of the Project. The City, acting by and through the Common Council and as the owner and operator of the Waterworks for the furnishing of the public water supply to the City and its inhabitants, hereby determines to acquire any and all necessary property and to proceed with the construction of improvements and extensions to the Waterworks, pursuant to the Act and in accordance with the plans, specifications and cost estimates heretofore prepared and filed with the Common Council 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 City (the "Clerk-Treasurer") and are open for public inspection. The actions of the Common Council in connection with the acquisition of any and all necessary property and



the construction and financing of such improvements and extensions to the Waterworks are hereby authorized, approved, ratified and confirmed.

Where used in this Ordinance, the term "City" shall be construed also to include any department, board, commission or officer or officers of the City or of any City department, board or commission. The terms "Waterworks," "waterworks," "works" and similar terms used in this Ordinance shall be construed to mean the Drinking Water System, as defined in the Financial Assistance Agreement, and shall include any existing structures and property of the Waterworks and all enlargements, improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired, whether from the proceeds of the Bonds or BANs authorized herein or otherwise. Such improvements and extensions shall be constructed and the Bonds or BANs herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

In the event the Bonds herein authorized or the BANs are purchased by the Authority as part of the IFA Program, on behalf of the City, the Common Council hereby (i) agrees to own, operate and maintain the Waterworks and the Project for their useful life and (ii) represents and warrants to the Authority that the City has no intent to sell, transfer or lease the Waterworks or the Project for their useful life.

Section 2. Description of the Project. The Project is more particularly described in Exhibit A attached hereto and made a part hereof. The City 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 Bonds. In accordance with the Act and for the purpose of providing funds with which to pay the costs of the Project, together with authorized expenses relating thereto, including the costs of issuance of the Bonds, as hereinafter defined, on account thereof, the City shall issue and sell its waterworks revenue bonds in the aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000). The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Sinking Fund referred to below.

The Bonds shall be issued in one or more series and shall be designated as the "City of Madison, Indiana, Waterworks Revenue Bonds, Series 2022" and shall be issued in an aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000). The Bonds shall be issued as fully registered bonds in the denomination of One Dollar (\$1) each or any integral multiple thereof consistent with the requirements of the IFA Program if sold to the Authority as part of the IFA Program and in the denomination of One Thousand Dollars (\$1,000) each 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 22R-1 upward and shall bear interest at a rate not to exceed five percent (5.0%) per annum (the exact rate or rates to be determined by negotiation with the IFA 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 not later than the first January 1 or July 1 following the issuance of the Bonds (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 January 1, 2023, and ending no later than thirty (30) years after completion of the Project. 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 IFA Program shall mature semiannually on January 1 and July 1, or be subject to mandatory sinking fund redemption on January 1 or July 1, over a period ending no later than thirty-five (35) years from the date of issuance of the Bonds, and in such amounts as will allow the City to meet the coverage and/or amortization requirements of the IFA Program, with such debt service schedules to be finalized and set forth in the Financial Assistance Agreement.

The Bonds shall bear an original issue date which shall be the date of issuance of the Bonds, and each Bond shall also bear the date of its authentication. Any 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 Bonds sold to the Authority as part of its IFA 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 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 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 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 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 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 City and by first-class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor registrar and paying agent by the City. Any such notice to the City 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 City, in which event the City may appoint a successor registrar and paying agent. The City shall notify each registered owner of Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds shall be

deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor registrar and paying agent shall deliver all of 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 City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor registrar and paying agent.

If the Bonds are sold to the Authority as part of its IFA 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 IFA Program is the owner of the Bonds, such Bonds shall be presented for payment as directed by the Authority.

If the Bonds are not sold to the Authority as part of its IFA Program or if wire transfer payment is not required, principal of and any redemption premium on the Bonds shall be payable at the principal office of the Paying Agent. Interest on 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 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 Bond shall be transferable or exchangeable only on the books of the City 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 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. Each 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 Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond for redemption. The City, the Registrar and the Paying Agent may treat and consider the person in whose name any 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 Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to

them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed 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 Bonds duly issued hereunder.

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

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the IFA Program (including without limitation any forgivable loans, grants or other assistance, whether available as an alternative to any Bond related provision otherwise provided for herein or as a supplement or addition thereto). If required by the IFA Program to be eligible for such financial assistance, one or more of the series of the 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 Bonds is junior and subordinate to the payment of the principal of and interest on other series of 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 Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of each series of Bonds issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

#### Section 4. The BANs.

The City has the authority to elect to issue its BAN or BANs if necessary, in lieu of initially issuing all or a portion of the Bonds to provide interim construction financing for the Project until permanent financing becomes available or to qualify for financial assistance provided from the IFA Program. The BANs shall be issued pursuant to the provisions of I.C. § 5-1-14-5 or as otherwise permitted by law and approved by the Mayor and Clerk-Treasurer. If so determined by the Mayor and Clerk-Treasurer, the City shall issue its BANs for the purpose of procuring interim financing to apply to the cost of the Project.

The BAN or BANs shall be issued, in one or more series, in an aggregate amount not exceeding Twelve Million Dollars (\$12,000,000) and shall be designated “City of Madison, Indiana Waterworks Bond Anticipation Note of 2022” (with the year and any series or other references added, revised or removed as appropriate). The BANs shall have a maturity not exceeding five (5) years, shall be dated the date of delivery and shall be in denominations of One Dollar (\$1) or integral multiples thereof (or such higher minimum denomination as the Clerk-Treasurer shall determine prior to the sale of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall

bear interest at a rate or rates not exceeding five percent (5.0%) per annum, and may be sold at a discount not to exceed two percent (2.0%). The BANs are subject to renewal or extension at an interest rate or rates not to exceed five percent (5.0%) per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The principal of and interest on the BANs shall be payable solely from the issuance of the Bonds and in the manner prescribed by the Act (or, with respect solely to interest, from a pledge of the Net Revenues). The City may also use other revenues or funds of the City legally available therefor, if any, including amounts available to the City out of federal or state funds available for application to the Project, for payment of the principal of the BANs; provided, however, that no funds other than proceeds from the issuance and sale of the Bonds, if and when issued, are pledged to the payment of principal of the BANs. BAN interest shall be calculated according to a 360-day calendar year containing twelve 30-day months. The BANs shall be subject to early redemption on or after any date selected by the Mayor or Clerk-Treasurer prior to their issuance, upon seven (7) days' notice to the owner of such BAN, without a premium. BANs shall be in a customary form as approved by the Mayor or Clerk-Treasurer.

Notwithstanding anything in this Ordinance to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term "Taxable" as the first word in the designated name.

It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds; 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. The City shall issue the Bonds described and authorized in this Ordinance to discharge its obligations under the BAN and BANs at or before the maturity date of the BAN or BANs.

Section 5. Optional Redemption of the Bonds; Term Bonds. The Bonds shall be subject to redemption at the option of the City, but no sooner than ten (10) years after their date of delivery, or any date thereafter, for Bonds that are purchased by the Authority as part of the IFA program, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the City 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 Sherman, Barber & Mullikin CPA's, rate consultant to the City ("Sherman Barber") and set forth in the Clerk-Treasurer's Certificate; provided, that Bonds sold to the Authority as part of its IFA 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 IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City 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 Sherman Barber and set forth in the Clerk-Treasurer's Certificate, not in excess of two percent (2%) of the par amount of the Bonds to be redeemed; 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 IFA Program, to the registered owner as shown on the registration record of the City as of the date which is sixty-five (65) days prior to the redemption date for such 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 (or sixty (60) days if the Bonds are sold to the Authority as part of its IFA Program) prior to the scheduled redemption date to each of the registered owners of the 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 failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other 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. The place of redemption may be at the principal corporate trust office of the Registrar and Paying Agent or as otherwise determined by the City. Interest on the 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 Bonds (or portions thereof) are presented for payment. Any Bond 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 portions thereof) being redeemed and if so directed by the City, 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, all or a portion of the Bonds 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 or July 1 in the years determined by the winning bidder as set forth in the certificate of the City concerning the award of the Bonds (the "Award Certificate").

In the event that the winning bidder opts to aggregate certain 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 to the redemption date, but without premium, on the first day of January or July of each year and in the principal amount all as set forth in the Award Certificate if the Bonds 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 City and canceled by the Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond so purchased shall be credited by the Registrar at 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 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 5 of this Ordinance.

Section 6. Execution and Authentication of the Bonds. The Bonds and BANs, if any, shall be executed in the name of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall cause the seal, if any, of the City or a facsimile thereof to be affixed to each of the Bonds and BANs, if any. The Bonds and BANs, if any, shall be authenticated by the manual signature of the Registrar, and no 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 Bond or BAN shall cease to be such official before the delivery of such Bond or BAN, 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 Bonds or BANs, the Bonds and BANs, if any, shall be fully negotiable instruments under the laws of the State of Indiana.

The Bonds or BANs 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 City from time to time (the "Clearing Agency"). The City 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 or BANs, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds or BANs.

During any time that the Bonds or BANs are held in book-entry form on the books of a Clearing Agency (1) any such Bond or BAN 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 or BAN is so registered shall be, and the City and the Registrar and Paying Agent may, deem and treat such Clearing Agency as, the absolute owner and holder of such Bond or BAN 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 or BAN, the receiving of notice and the giving of consent; (3) neither the City 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 or BAN, 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 or BANs, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond or BAN 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 or BANs 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 City receives notice from the Clearing Agency which is currently the registered owner of the Bonds or BANs to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a clearing agency for the Bonds or BANs or (ii) the City elects to discontinue its use of such Clearing Agency as a clearing agency for the Bonds or BANs, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds or BANs, as are necessary or appropriate to discontinue use of such Clearing Agency as a clearing agency for the Bonds or BANs and to transfer the ownership of each of the Bonds or BANs to such person or persons, including any other clearing agency, as the holder of the Bonds or BANs may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds or BANs, shall be paid by the City.

During any time that the Bonds or BANs 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 or BANs 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 or BAN has been obtained, the Registrar or Paying Agent shall be entitled to treat the beneficial owners of the Bonds or BANs as the holder of the Bonds or BANs.

During any time that the Bonds or BANs 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 7. Security and Sources of Payment for the Bonds. The Bonds, 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, shall be valid and binding special revenue obligations of the City, 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, including System Development Charges (as hereafter defined), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, excluding transfers for payments in lieu of property taxes) derived from the Waterworks, including all such Net Revenues from any 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 the 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 City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 8. Form of the Bonds. 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 JEFFERSON  
CITY OF MADISON, INDIANA  
WATERWORKS REVENUE BOND, SERIES 2022

No. 22R-1

Interest Rate	Maturity Date	Original Date	Authentication Date
%			

Registered Owner:

Principal Amount:

The City of Madison (the "City"), in Jefferson 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 1 and 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 City, 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 CITY 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 CITY 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 City in the total amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) numbered 22R-1, issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the waterworks of the City and all expenses necessarily incurred in connection with the issuance of such bonds, as authorized by an ordinance adopted by the Common Council of the City on the \_\_\_\_ day of \_\_\_\_\_, 2022, entitled "An ordinance authorizing the acquisition, construction and installation by the City of Madison, Indiana, of certain improvements and extensions to the City's waterworks, the issuance and sale of revenue bonds to provide funds for the payment of the costs thereof, including the issuance of notes in anticipation of such bonds, 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, 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)] [One Thousand Dollars (\$1,000)] 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 any bonds hereafter issued ranking on a parity therewith, are payable solely from the "Waterworks Sinking Fund" created by the Ordinance (the "Sinking Fund") to be provided from the net revenues (herein defined as the gross revenues of the waterworks of the City, inclusive of System Development Charges (as defined in the Ordinance) remaining after payment of reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] OR [operation, repair and maintenance, excluding transfers for payments in lieu of property taxes] of the waterworks of the City.

The City 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 City 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 City and the Authority concerning certain terms and covenants pertaining to the Waterworks project and the purchase of this Bond as part of the drinking water 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 City irrevocably pledges the entire Net Revenues of the waterworks to the prompt payment of the principal of, and interest on the bonds authorized by this Ordinance, of which this one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and 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 waterworks 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 waterworks; (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 waterworks; 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 City 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 City or any officer of the City including the making and 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 application of the revenues and the respective funds and accounts as specified in the Ordinance.

The City further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of the Waterworks to meet (a) the interest on all bonds payable from the revenues of the Waterworks, 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 Waterworks, and (d) an additional amount as a margin of safety to create the reserve required by 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 City, in whole or in part, on \_\_\_\_\_ 1, 20\_\_, or on any date thereafter, in principal amounts selected by the City and in [inverse order of maturity] [order of maturity selected by the City] 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 IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Authority.]

[The bonds maturing on or after \_\_\_\_\_ 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on January 1 or July 1 in the years and amounts set forth below:

	Term Bond	
Year		Amount]

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 moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient moneys 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 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 waterworks or an obligation of the City.

[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 City 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 City 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 City 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 City; 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 City 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 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 City, 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 City 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 City 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 City 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 City, 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 City 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 City.

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 City, 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 City, 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 City 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 City of Madison, in Jefferson County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, and its corporate seal be hereunto affixed and attested by the manual or facsimile signature of its Clerk-Treasurer.

CITY OF MADISON, INDIANA

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

(Seal of the City)

ATTEST:

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

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Madison, Indiana, Waterworks Revenue Bonds, Series 2022, 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]  
[Year Principal Amount]

[End of Form of Bond]

### Section 9. Issuance, Sale and Delivery of the Bonds.

(a) Generally. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Clerk-Treasurer are each hereby authorized and directed to execute the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds 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 98% of the par amount of the Bonds, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application to the costs of the Project (or the refunding of the BANs, if applicable), together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds. The authorized officers of the City 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.

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

(i) Public Sale. If the Bonds shall be sold by public sale, then prior to the sale of the Bonds, the Clerk-Treasurer shall cause to be published a notice of intent to sell once each week for two (2) weeks in the Madison Courier 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 City 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 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 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 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 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 as soon as the Bonds 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 City and shall be considered as the City's liquidated damages on account of such default.

All bids for the Bonds 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, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding \_\_\_\_ percent (\_\_\_\_%) per annum. 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 bearing each rate, and all the Bonds maturing on the same date shall bear the same rate of interest. The interest rate on Bonds 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 to the bidder offering the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds 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 98% of the par



value of the Bonds (or such higher percentage of the par value of the Bonds as the Clerk-Treasurer, with the advice of Sherman Barber, 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, 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 re-advertising, pursuant to Indiana law.

The Clerk-Treasurer is hereby authorized to determine, in her discretion, to sell the Bonds pursuant to the general provisions of IC 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. The Clerk-Treasurer may also determine to sell the Bonds by private negotiation.

(ii) Sale to the Authority. As an alternative to public sale or a sale by private negotiation, the Clerk-Treasurer may negotiate the sale of the Bonds to the Authority as part of its IFA Program. The Mayor and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Authority as part of its IFA Program, (ii) execute a Financial Assistance Agreement (including any amendment thereof) with the Authority with terms conforming to this Ordinance, and (iii) sell such Bonds upon such terms as are acceptable to the Mayor 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 Common Council, and the Mayor 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 Bonds, the Clerk-Treasurer, subject to the direction of the Common Council, (i) shall be authorized to investigate, negotiate and obtain bond insurance, other forms of credit enhancement and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, with such opinion to be furnished to the purchaser of the Bonds at the expense of the City. 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 Bonds, shall be considered as a part of the cost of the Project and shall be paid out of the proceeds of the Bonds.

(d) Sale of BANs. In connection with the sale of the BANs, the Mayor and the Clerk-Treasurer each are authorized to take all or part of the same authorized actions, and to execute and deliver the agreements and instrument, as they deem advisable with respect to the BANs to the same extent as if the foregoing provisions of this Section applicable to the Bonds were applied to the sale of the BANs, provided they shall not be required to take

each and every such act as would relate to the Bonds unless by law it is required with respect to the BANs.

Section 10. Disposition of Proceeds of the Bonds; City of Madison, 2022 Waterworks Construction Account. The proceeds from the sale of the Bonds or, if applicable, the BANs, shall be deposited into a bank or banks which are legally qualified depositories for the funds of the City, in the special account to be designated as "City of Madison, 2022 Waterworks 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 the Ordinance and in the Act, together with the incidental expenses incurred in connection with the Project and the costs of issuance of the Bonds or, if applicable, the BANs, 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 IC 5-1-13, as amended. Pursuant to the Act, the owners of the Bonds or, if applicable, the BANs, shall be entitled to a lien on the proceeds of the Bonds or, if applicable, the BANs, until such proceeds are applied as required by this Ordinance and by Indiana law.

With respect to any Bonds sold to the Authority as part of its IFA Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City, 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 City shall reduce the principal amount of the remaining Bond maturities to effect such reduction in amounts that 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.

Section 11. Segregation and Application of Waterworks Revenues. All income and revenues derived from the operation of the Waterworks and from the collection of water rates and charges shall be deposited upon receipt into a fund hereby created and designated as the Revenue Fund (the "Revenue Fund"), and shall be segregated and kept separate and apart from all other funds and bank accounts of the City. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the Waterworks shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, the reserve shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided. No monies derived from the revenues of the Waterworks shall be transferred to the general fund of the City or be used for any purpose not connected with the Waterworks.

On the last day of each calendar month, there shall be credited from the Revenue Fund to the Operation and Maintenance Fund (the "Operation and Maintenance Fund") hereby created, a sufficient amount of the revenues of the Waterworks so that the balance in said fund shall be sufficient to pay the expenses of operation, repair and maintenance of the works for the next succeeding two (2) calendar months. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Waterworks on a day to day basis, but none of the moneys in such fund shall be used for transfers for payments in lieu of property taxes or for depreciation, replacements, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding two

(2) calendar months may be transferred to the Sinking Fund created hereby if necessary to prevent a default in the payment of principal or interest on outstanding bonds of the Waterworks.

Section 12. (a) Waterworks Sinking Fund. After the required deposits to the Operation and Maintenance Fund, Net Revenues shall be deposited from the Revenue Fund into the Waterworks Sinking Fund (the "Sinking Fund") created hereby for the payment of the interest on and principal of revenue bonds which by their terms are payable from the Net Revenues of the Waterworks, and the payment of any fiscal agency charges in connection with the payment of such bonds and interest thereon. There shall be set aside and deposited into the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of said Waterworks to meet the requirements of the Bond and Interest Account (as hereinafter defined) and the Reserve Account (as hereinafter defined) created hereby in said Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Reserve Account, equals the principal of and interest on all of the then outstanding bonds of the Waterworks to the final maturity thereof.

(b) Bond and Interest Account. There is hereby created 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 to the Bond and Interest Account hereby created, an amount of Net Revenues equal to the sum of one-sixth ( $1/6$ ) of the interest on all then outstanding bonds of the Waterworks payable on the then next succeeding Interest Payment Date, and one-sixth ( $1/6$ ) of the amount of principal payable on the next principal payment date on all then outstanding bonds of the Waterworks that will be payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding respective principal and interest payment dates shall have been so credited; provided that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on outstanding bonds of the Waterworks as the same become payable. The City shall, from the sums deposited into the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owners of the outstanding bonds of the Waterworks or to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof, together with the amount of any bank fiscal agency charges.

(c) Debt Service Reserve Account. There is hereby created within the Sinking Fund an account to be known as the "Reserve Account" (the "Reserve Account"). On or before the last day of each calendar month, after making the credits to the Bond and Interest Account, there shall be credited from available Net Revenues to the Reserve Account hereby created in amounts sufficient to produce, in equal monthly installments over a sixty (60) month period, an amount equal to the maximum annual debt service on the Bonds and any parity bonds issued in the future by the City that are payable from the Net Revenues of the Waterworks (the "Parity Bonds") (the "Reserve Requirement"); provided, however, that the Clerk-Treasurer, with the advice of Sherman Barber, may elect to satisfy all or a portion of the Reserve Requirement on the date of issuance of the Bonds from other available funds of the City. Said credits to the Reserve Account shall continue until the balance therein shall equal the Reserve Requirement. The Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds to the extent that moneys

in the Bond and Interest Account are insufficient for that purpose. Any deficiencies in credits to the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds or any Parity Bonds, then such 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 hereinbefore provided for. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Waterworks Improvement Fund, and in no event shall such excess moneys be held in the Reserve Account.

Section 13. Waterworks Improvement Fund. There is hereby created a special fund to be known as the "Waterworks Improvement Fund" (the "Waterworks Improvement Fund"). After making all required payments into the Operation and Maintenance Fund and the Sinking Fund, then any excess Net Revenues may be credited to the Waterworks Improvement Fund hereby created. Said fund shall be used for improvements, replacements, additions and extensions of the Waterworks, including transfers to the City for payments in lieu of property taxes. Payments in lieu of property taxes may be transferred from the Waterworks Improvement Fund no more frequently than semiannually in January and July of each year, in accordance with the Act. Moneys in the Waterworks Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds, or if necessary to eliminate any deficiencies in credits to or minimum balances in the Reserve Account. Moneys in the Waterworks Improvement Fund also may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the Waterworks.

Section 14. Maintenance of Funds. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The Operations and Maintenance Fund and the Waterworks 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 City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the Waterworks) and apart from the Sinking Fund account or accounts. All monies deposited into 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, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or 5-1.2-14.5 (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 Waterworks, and (b) the other Funds and Accounts of the Waterworks shall be maintained as a separate bank account from the other funds and accounts of the City, including, without limitation, any other funds and accounts for any other utility of the City beyond the Waterworks.

Section 15. Trust Arrangement Authorized. If any Bonds are sold to the Authority as part of the IFA Program, the Sinking Fund and the Construction Account may be held by a financial

institution acceptable to the Authority as a part of its IFA Program, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenue in accordance with Section 12, 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 City'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 City shall deposit the proceeds of such Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Common Council hereby authorizes the Mayor 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 Sinking Fund and the Construction Account in the form of trust agreement as approved by the Mayor and the Clerk-Treasurer, consistent with the terms and provisions of this Ordinance.

Section 16. 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 as amended and supplemented, including pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or 5-1.2-14.5 (as applicable). 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 City. 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 of the Waterworks issued pursuant to the provisions of this Ordinance shall be outstanding. Investment income earned on moneys in the funds and accounts established by this Ordinance shall become a part of the funds and accounts invested (except as otherwise provided in Section 122(c) hereof) and shall be used only as provided in this Ordinance.

Section 17. Books of Records and Accounts. The City 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 into 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 City 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 IFA Program, the City 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 waterworks 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. In such event, no moneys derived from the revenues of the Waterworks shall be transferred to the general fund of the City or be used for any purpose not connected with the Waterworks.

Section 18. Rates and Charges. The City, 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 Waterworks 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 City, provided that System Development Charges shall be excluded, as and 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 IFA 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 IFA Program or (ii) operation, repair, replacements and maintenance of the Waterworks 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 Waterworks; 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 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 City, 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 City; and (ii) paid for in monthly installments as the service accrues, out of the current revenues of the City, collected or in the process of collection, and the tax levy of the City 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 Waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the Waterworks.

Section 19. 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 moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's Waterworks.

Section 20. Additional Bonds. The City reserves the right to authorize and issue additional bonds, payable out 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, 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 Waterworks shall have been paid to date in accordance with the terms thereof and all credits required to be made to the Sinking Fund and the accounts thereof shall have been made to date. 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 11(c) of this Ordinance.

(b) The Net Revenues of the Waterworks in the fiscal year immediately preceding the issuance of any such Parity Bonds (provided that, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) ranking on parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of said Parity Bonds, the Waterworks rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations (provided that, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) 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 the then outstanding bonds and the additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the Waterworks shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City 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 IFA 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 said 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 any Bonds are sold to the Authority as part of its IFA Program, (i) the City obtains the consent of the Authority, (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance, and (iii) the City is in compliance with its Waterworks permits, except for noncompliance, the elimination of which is a purpose for which the Parity Bonds, including any refunding bonds, are issued, so long as such issuance constitutes part of an overall plan to eliminate such noncompliance.

Section 21. Additional Covenants of the City. 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 City in connection with the construction of said additions and improvements to the Waterworks 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 Common Council. All estimates for work done or material furnished shall first be checked by the Consulting Engineers and approved by the Common Council.

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

(d) So long as any of the Bonds or BANs herein authorized are outstanding, the City shall maintain insurance coverage acceptable to the Authority if any Bonds or BANs are sold to or owned by the Authority as part of its IFA 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 or BANs are sold to or are owned by the Authority as part of its IFA Program, or, if no Bonds or BANs are sold to or are owned by the Authority as part of its IFA 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 or BANs are outstanding, the City 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 or BANs are sold to the Authority as part of its IFA Program, provided that the City shall obtain the prior written consent of the Authority.

(f) If any Bonds or BANs are sold to the Authority as part of its IFA Program, and, except as otherwise specifically provided in Section 20 hereof, the City 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 Waterworks other than for normal operating expenditures or (ii) borrow any money (including without limitation any loan from other utilities operated by the City) in connection with the Waterworks.

(g) Except as hereinbefore provided in Section 20 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 Waterworks shall be authorized, executed or issued by the City 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 19 hereof coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs, if any, 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 Waterworks 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 and BANs, if any, 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 Waterworks in the event of default in the payment of the principal of or interest on any of the Bonds and BANs, if any, or in the event of default in respect to any of the provisions of this Ordinance or the Act.

(i) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds and BANs, if any, all of the terms of which shall be enforceable at law or in equity, and after the issuance of the Bonds or BANs 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 or BANs, and the Common Council of the City 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 or BANs remain unpaid. Except with respect to amendments described in Section 24(a)-(g) hereof, however, this Ordinance may be amended pursuant to Section 24 (i) without the consent of the owners of the Bonds or BANs if, among other things, the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds and BANs, if any, and (ii) as otherwise permitted pursuant to Section 24; provided, however, that if any Bonds or BANs are sold to and owned by the Authority as part of its IFA Program, the City shall obtain the prior written consent of the Authority.

(j) For purpose of this Section 21, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the Waterworks, whether the City 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 22. 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 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 BANs, or the tax-exempt status of interest on the Bonds or BANs, under federal law.

(b) 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 City as to requirements of federal law to preserve the tax exclusion or exemption.

Section 23. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs, if any, from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the City represents, covenants and agrees that:

(a) No person or entity, other than the City or another state or local governmental unit, will use proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by the Bond or BAN 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 or BAN proceeds will be loaned to any entity or person. No Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(c) The City 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 or BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds or BANs pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City further covenants that it will not make any investment or do any other act or thing during the period that any Bond or BAN is outstanding hereunder which would cause any Bond or BAN 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 or BANs.

(d) The City will, to the extent necessary to preserve the exclusion of interest on the Bonds and BANs, if any, from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond or BAN proceeds or other moneys treated as Bond or BAN 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.

(e) All officials, officers, members, employees and agents of the City are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the City as of the date that the Bonds or BANs are issued, and to make covenants on behalf of the City 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 City are authorized to certify and/or enter into covenants on behalf of the City regarding (i) the facts and circumstances and reasonable expectations of the City as of the date that the Bonds or BANs are issued and (ii) the commitments made herein by the City regarding the amount and use of the proceeds of the Bonds or BANs.

(f) The Clerk-Treasurer is hereby authorized to employ consultants and attorneys from time to time to advise the City with respect to the requirements under federal law for the continuing preservation of the exclusion of interest on the Bonds or BANs from gross income for purposes of federal income taxation, as described in this Section 23.

Section 24. Supplemental Ordinances. Without notice to or consent of the owners of the bonds herein authorized, the City 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 or BANs any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds or BANs herein authorized or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the Bonds or BANs;

(iii) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds or BANs 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 or BANs;

(iv) To provide for the refunding or advance refunding of the Bonds or BANs;

(v) To procure a rating on the Bonds 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 or BANs; and

(vi) Any other purpose which, in the judgment of the City, does not adversely affect the interests of the owners of the Bonds or BANs.

Subject to the terms and provisions contained in this Section 24, 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 or BANs 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 City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City 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 or BANs are sold to the Authority as part of its IFA Program, the City 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 or BAN issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any Bond or BAN 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 waterworks ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any Bond or Bonds (or BAN or BANs) issued pursuant to this ordinance over any other Bond or Bonds (or BAN or BANs) issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds or BANs 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 or BANs 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 or BAN 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 City 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 City and all owners of Bonds or BANs 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 City and of the owners of the Bonds or BANs authorized by this Ordinance, and the terms and provisions of the Bonds or BANs and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds or BANs issued pursuant to this Ordinance then outstanding.

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

Section 26. 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 BANs or the exclusion of interest on the Bonds or BANs from gross income under federal law ("Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 27. Clerk-Treasurer's Certificate. The Clerk-Treasurer shall, prior to the sale of the Bonds or BANs, set forth in a certificate (the "Clerk-Treasurer's Certificate") the first Interest Payment Date, the principal payment schedule for the Bonds or BANs, the percentage of par at which the Bonds or BANs shall be sold and any other matters required by this Ordinance to be provided in the Clerk-Treasurer's Certificate.

Section 28. Disclosure. The Bonds (other than Bonds sold to the Authority as part of its IFA Program) shall 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 Common Council hereby authorizes the Mayor 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 City; (b) on behalf of the City, 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 Mayor 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 City agrees to undertake such continuing disclosure obligations as may be required under the Rule.

Section 29. Further Actions. The Common Council hereby requests, authorizes and directs the Mayor and the Clerk-Treasurer, and each of them, for and on behalf of the City, 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 City, the full performance and satisfaction of which by the City are hereby authorized and directed.

Section 30. 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 City or the City 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 31. 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 32. 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 33. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

ALL OF WHICH IS PASSED AND ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2022, BY THE COMMON COUNCIL OF THE CITY OF MADISON, JEFFERSON COUNTY, INDIANA.

CITY OF MADISON, JEFFERSON

COUNTY, INDIANA

---

Bob G. Courtney, Mayor

ATTEST:

---

Katie Rampy, Clerk-Treasurer

## EXHIBIT A

### **City of Madison Water Utility Improvement**

The Project includes the following Work:

#### **Division “A” – Supply and Treatment Improvements**

This project includes but is not limited to improvements to the City’s water supply and treatment facilities. The work includes upgrades to the water treatment plant’s new chlorine feed equipment, gas scrubber, piping improvements, heat tracing, SCADA upgrades, and new VFD’s at each of the five (5) booster stations.

#### **Division “B” – Storage Tanks Rehabilitation**

This project includes improvements to the water utility storage facilities for the City. The work includes sandblasting, recoating, installation of new level sensors, new internal safety ladders, manway upgrades, davit arm upgrades, strut tensioning, structural bolt tensioning, and other minor mechanical repairs at all six (6) of the City’s existing storages tanks.

#### **Division “C” – Water Main Replacements**

The project consists of furnishing all labor, material, and equipment to fully complete upgrades to the City of Madison’s water distribution system. The work consists of, but is not limited to, the installation of approximately 11,000 LF of 8-inch and approximately 11,800 LF of 6-inch diameter water mains, new fire hydrants, abandonment of existing water mains in place, all associated connections to existing mains and services, and all related work required to complete the project as outlined the Plans & Specifications. This includes associated paving, grading, surface restoration, striping, and utility relocation to accommodate the proposed improvements.

## EXHIBIT B

### **STATE OF INDIANA DRINKING WATER 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 City of Madison, Indiana (the “Participant”), a political subdivision as defined in I.C. 5-1.2-2-57, operating its water utility under I.C. 8-1.5, witnesseth:

WHEREAS, the State’s Drinking Water Revolving Loan Program (the “Drinking Water SRF Program”) has been established in accordance with the federal Safe Drinking Water Act and any regulations promulgated thereunder, and pursuant to I.C. 5-1.2-10 (the “Drinking Water SRF Act”), which Drinking Water SRF Act also establishes the drinking water revolving loan fund (the “Drinking Water SRF Fund”); and

WHEREAS, pursuant to the Drinking Water SRF Act, the State was authorized to fund the Drinking Water SRF Program with federal capitalization grants, together with required state matching funds therefor, and to operate the Drinking Water SRF Program, and prior to May 15, 2005 so funded and operated the Drinking Water 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 Drinking Water SRF Program (including use and acceptance of federal capitalization grants and required state matching funds and operation of the Drinking Water 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 drinking water system project (as more fully described herein, the “Project”) and to borrow money from the Drinking Water 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 Drinking Water System and which is consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water 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.

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

**“Commission”** shall mean the Indiana Utility Regulatory Commission created under I.C. 8-1-1-2 or its successor.

**“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 Drinking Water System, 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 Drinking Water SRF Program Representative and the Drinking Water 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.

**“Drinking Water SRF Fund”** shall mean the drinking water revolving loan fund as established by I.C. 5-1.2-10-2.

**“Drinking Water SRF Indenture”** shall mean the Fourth Amended and Restated Drinking Water 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 Drinking Water

SRF Program) and the Trustee, as amended and supplemented from time to time.

**“Drinking Water System”** shall mean all, or any part of, the system for the provision to the public of water for human consumption through pipes and other constructed conveyances that:

- (1) has at least fifteen (15) service connections; or
- (2) regularly serves at least twenty-five (25) individuals;

and as further defined and described in I.C. 13-11-2-177.3 and SRF Policy Guidelines, as amended and supplemented from time to time.

**“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 Drinking Water SRF Program within the meaning of the Drinking Water SRF Indenture.

**“Financial Assistance”** shall mean the financial assistance authorized by the Safe Drinking 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 Drinking Water System, a plan that is consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water SRF Act and includes (a) an inventory of critical assets that are a part of the Drinking Water System, (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 Drinking Water System 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 Drinking Water System or refinance an existing debt obligation where such debt was incurred and building of such systems began after July 1, 1993, 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 Drinking Water 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, 20\_\_] and the first day of each sixth (6<sup>th</sup>) 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 Drinking Water System, including maintaining compliance with primary and secondary drinking water standards, as follows:

(1) Operation shall mean the control and management of the united processes and equipment which make up the Drinking Water System, 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 Drinking Water

SRF Indenture and held as part of the Drinking Water SRF Fund.

**“Safe Drinking Water Act”** shall mean the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq. and other laws, regulations and guidance supplemental thereto, as amended and supplemented from time to time including the 2014 Appropriations Act.

**“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 Drinking Water 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 Drinking Water System that are available for deposit under the Authorizing Instrument.

**“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 Drinking Water 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 Safe Drinking Water Act), 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: City of Madison Drinking Water SRF, 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. (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 Drinking Water SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 5-1.2-10, SRF Policy Guidelines, the Safe Drinking 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 Drinking Water 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 Drinking Water System 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 Drinking Water System, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Drinking Water System (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 Drinking Water System.

(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 Drinking Water System 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 the 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 Drinking Water System and (3) the books and other financial records of the Drinking Water System, 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 Drinking Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Drinking Water System 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 Drinking Water System 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 Drinking Water System, 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 Drinking Water System 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 Drinking Water System 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 Drinking Water System, 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 Drinking Water 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 Drinking Water System consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water 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 Drinking Water System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Drinking Water System, or that in any way uses or is served by the Drinking Water System, (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 Drinking Water System, to comply with and satisfy all covenants contained herein and to pay all obligations of the Drinking Water System 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 Drinking Water System, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Drinking Water System without the prior written consent of the Finance Authority if such undertaking would involve, commit or use the revenues of the Drinking Water System; provided that the Participant may authorize and issue additional obligations, payable out of the revenues of its Drinking Water System, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Drinking Water System, or to refund obligations of the Drinking Water System, 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 Drinking Water System 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 Drinking Water System 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 Drinking Water System 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 Safe Drinking 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 Safe Drinking 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 Safe Drinking 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 Drinking Water System, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Drinking Water System (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 Drinking Water System (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 Drinking Water System are not subject to I.C. 8-1.5.

(b) The Participant and its Drinking Water System are not subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law and the Project and the Bonds are subject to the Commission’s review and approval requirements. If the Participant or its Drinking Water System is subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law, the Commission has reviewed and approved the Project and the issuance of the Bonds and no additional approvals or consents are required to be obtained from the Commission related thereto.

(c) 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.

(d) 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.

(e) 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 Drinking Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.



(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) For any outstanding bonds payable from the revenues of the Drinking Water System 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 Drinking Water System 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 Drinking Water 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:

101 West Main Street,  
Madison, IN 47250  
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 Drinking Water 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 Catalogue of Federal Domestic Assistance (“CFDA”) Number for the Authority’s Drinking Water SRF Program is 66.468 and the Federal Agency & Program Name is “US Environmental Protection Agency Capitalization Grant for Drinking Water State Revolving Funds.”

(End of Article V)

[THE REMAINDER OF THIS PAGE HAS  
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.

**CITY OF MADISON, INDIANA**

“Participant”

By: \_\_\_\_\_

(i)

**FINANCE AUTHORITY**

**INDIANA**

“Finance Authority”

By: \_\_\_\_\_

James P. McGoff

Director of Environmental Programs

Attest: \_\_\_\_\_



## EXHIBIT A

The Project consists of the following improvements to the Participant's Drinking Water System:

- Rehabilitation of all six of the utility's water storage facilities inclusive of control upgrades,
- Rehabilitation of the existing JPG and West End Water Treatment Plants, including replacing the existing chlorine gas disinfection systems in-kind, improving process piping, providing heat trace and insulation for exposed process piping, and making building improvements,
- Installing variable frequency drives on well pumps 1-4, the booster station pumps at the West End Wellfield, and the booster station pumps at the Hilltop Ground Storage Tanks,
- Replacing flow meters at the water treatment plants,
- Installation of new integrated controls at the water treatment plants to automate the treatment process,
- Installation of approximately 6,000 lineal feet of 8-inch water main and associated appurtenances to replace existing 6-inch and 8-inch water main in the Franks Drive area,
- Installation of approximately 7,000 lineal feet of 6-inch water main and associated appurtenances to replace existing 6-inch and 2-inch water main in the Sunrise Drive area,
- Installation of approximately 2,000 lineal feet of 6-inch water main and associated appurtenances to replace existing 6-inch and 2-inch water main in the East Street area,
- Installation of approximately 4,500 lineal feet of 8-inch water main and associated appurtenances to replace existing 6-inch and 8-inch water main in the Hillcrest Drive area,
- Installation of approximately 2,000 lineal feet of 6-inch water main and associated appurtenances to replace existing 6-inch water main in the Flint Road area, and
- Purchase of approximately 3,000 customer water meters.

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**

<b><u>Maturity Date</u></b>	<b><u>Principal Amount</u></b>	<b><u>Maturity Date</u></b>	<b><u>Principal Amount</u></b>
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	
07/01/2036		01/01/2054	
01/01/2037		07/01/2054	
07/01/2037		01/01/2055	
01/01/2038		07/01/2055	
07/01/2038		01/01/2056	
01/01/2039		07/01/2056	
07/01/2039		01/01/2057	
01/01/2040		07/01/2057	
07/01/2040			
		<b>TOTAL</b>	<b>\$</b>

[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 are NOT applicable to the Loan:*

**“Equivalency Project”** shall mean a project designated by the Finance Authority as an “equivalency project” under the Safe Drinking Water Act related to the “US Environmental Protection Agency Capitalization Grant for Drinking Water State Revolving Funds” for the federal fiscal year ending September 30, 2022 (or such later federal fiscal year as the Finance Authority may otherwise designate).

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 Safe Drinking Water Act.

The Participant further understands and agrees that it is required to comply with all terms of 2 CFR 200.216, Prohibition on certain telecommunication and video surveillance services or equipment, which among other requirements prohibits the use of Loan proceeds by the Participant to procure (by means of entering into, extending, or renewing contracts) or obtain equipment, systems or services that use “covered telecommunications equipment or services” identified in the regulation as a substantial or essential component of any Drinking Water System, or as critical technology as part of any Drinking Water System. Such prohibitions extend to the use of Loan proceeds by the Participant to enter into a contract with an entity that “uses any equipment, system, or service that uses covered telecommunications equipment or services” as a substantial or essential component of any Drinking Water System, or as critical technology as part of any Drinking Water System. The Participant represents and warrants that it has not procured or obtained from Loan proceeds equipment, systems or services that use “covered telecommunications equipment or services” identified in the regulation as a substantial or essential component of any Drinking Water System, or as critical technology as part of any Drinking Water System.

*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 Drinking Water 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 Drinking Water SRF Program’s interest rate policies and practices using the final, actual GPR Projects Expenditures (rather than the amount referenced in the Participant’s business case or categorical exclusion posted at [www.srf.in.gov](http://www.srf.in.gov)), all as

determined by the Finance Authority.

**“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 Drinking Water SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Drinking Water 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 amount referenced in the Participant’s business case or categorical exclusion, 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 GPR Projects 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 LLR Projects (and the related defined terms) are NOT applicable to the Loan.*

**“LLR Projects”** shall mean Project components that meet the requirement of the “Lead Line Replacement (LLR) Incentive Program” consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water SRF Act.

**“LLR 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 Drinking Water SRF Program’s interest rate policies and practices using the final, actual LLR Projects Expenditures (rather than the amount referenced in the Participant’s related post-bid and other documents submitted to the Finance Authority), all as determined by the Finance Authority.

**“LLR Projects Expenditures”** shall mean those costs and expenses incurred by the Participant that are part of the Project which are LLR Projects in nature (within the meaning of the Drinking Water SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Drinking Water 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 LLR Projects project. In the event LLR Projects Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the Participant’s

related post-bid and other documents submitted to the Finance Authority, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a LLR Projects Adjustment Fee in connection with the Loan. The Participant shall certify to the Finance Authority those Loan disbursements it represents to be its LLR Projects Expenditures when and as required by SRF Policy Guidelines.

[End of Exhibit D]

ORDINANCE NO. 2022-29

AN ORDINANCE OF THE CITY OF MADISON, INDIANA, AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION BY THE CITY OF MADISON, INDIANA, OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE CITY'S WATERWORKS, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS, AND OTHER RELATED MATTERS

WHEREAS, the City of Madison, Indiana (the "City"), has heretofore established and constructed and currently owns and operates a waterworks by and through its Board of Public Works and Safety furnishing the public water supply to the City and its inhabitants (the "Waterworks"), pursuant to the provisions of Indiana Code ("IC") § 8-1.5, as amended (the "Act"); and

WHEREAS, the Common Council (the "Common Council") of the City hereby finds that certain improvements and extensions to the Waterworks are necessary; and Commonwealth Engineers, of Indianapolis, Indiana, the consulting engineers employed by the City (the "Consulting Engineers"), have prepared and filed plans, specifications, and detailed descriptions and estimates of the costs of the necessary improvements and extensions to the Waterworks, 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 and extensions to the Waterworks 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 Common 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 Waterworks, and including all authorized expenses relating thereto, including the costs of issuance of bonds and, if necessary, bond anticipation notes, on account of the financing of all or a portion thereof, will be at least Twelve Million Dollars (\$12,000,000); and

WHEREAS, this Common 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 City to issue waterworks revenue bonds and, if necessary, bond anticipation notes, in an amount not to exceed Twelve Million Dollars (\$12,000,000); and

WHEREAS, the City desires to authorize the issuance of waterworks revenue bonds or, if necessary, bond anticipation notes, hereunder payable from the Net Revenues (as hereinafter defined) of the Waterworks, to finance the balance of the aforementioned costs of the Project); and

WHEREAS, this Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds (the "Bonds") and, if

necessary, bond anticipation notes (the “BANs”), to provide the necessary funds to be applied to the cost of the Project and authorized costs relating thereto, have been complied with in accordance with the provisions of the Act; and

WHEREAS, this Common Council consequently seeks to authorize the issuance of the Bonds and the BANs, if necessary, to finance the acquisition and construction of the Project pursuant to the Act and the sale of such Bonds or BANs either at public sale pursuant to the provisions of IC 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 City has no outstanding revenue bonds or other pledges against the Net Revenues of the Waterworks; and

WHEREAS, the City has heretofore withdrawn from the jurisdiction of the Indiana Utility Regulatory Commission for purposes of setting rates and charges and issuing debt with respect to the Waterworks; and

WHEREAS, the City may enter into a Financial Assistance Agreement, Financial Aid Agreement, Grant Agreement and/or Funding Agreement (substantially in the form of Exhibit B attached hereto and made a part hereof) with the Indiana Finance Authority (the “Authority”) together with any subsequent amendments thereto (collectively, the “Financial Assistance Agreement”) as part of its drinking water loan program, supplemental drinking water and wastewater assistance program, water infrastructure grant program, and/or water infrastructure assistance program (collectively, the “IFA Program”), established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, pertaining to the Project and the financing of the Project if any Bonds or BANs are sold to the Authority as part of its IFA Program; and

WHEREAS, the Common Council understands that for the Project to be permitted to be financed under the IFA Program, the City must (a) agree to own, operate and maintain the Waterworks and the Project for their useful life and (b) represent and warrant to the Authority that the City has no intent to sell, transfer or lease the Waterworks or the Project for their useful life; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA, AS FOLLOWS:

Section 1. Acquisition and Construction of the Project. The City, acting by and through the Common Council and as the owner and operator of the Waterworks for the furnishing of the public water supply to the City and its inhabitants, hereby determines to acquire any and all necessary property and to proceed with the construction of improvements and extensions to the Waterworks, pursuant to the Act and in accordance with the plans, specifications and cost estimates heretofore prepared and filed with the Common Council 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 City (the “Clerk-Treasurer”) and are open for public inspection. The actions of the Common Council in connection with the acquisition of any and all



necessary property and the construction and financing of such improvements and extensions to the Waterworks are hereby authorized, approved, ratified and confirmed.

Where used in this Ordinance, the term "City" shall be construed also to include any department, board, commission or officer or officers of the City or of any City department, board or commission. The terms "Waterworks," "waterworks," "works" and similar terms used in this Ordinance shall be construed to mean the Drinking Water System, as defined in the Financial Assistance Agreement, and shall include any existing structures and property of the Waterworks and all enlargements, improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired, whether from the proceeds of the Bonds or BANs authorized herein or otherwise. Such improvements and extensions shall be constructed and the Bonds or BANs herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

In the event the Bonds herein authorized or the BANs are purchased by the Authority as part of the IFA Program, on behalf of the City, the Common Council hereby (i) agrees to own, operate and maintain the Waterworks and the Project for their useful life and (ii) represents and warrants to the Authority that the City has no intent to sell, transfer or lease the Waterworks or the Project for their useful life.

Section 2. Description of the Project. The Project is more particularly described in Exhibit A attached hereto and made a part hereof. The City 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 Bonds. In accordance with the Act and for the purpose of providing funds with which to pay the costs of the Project, together with authorized expenses relating thereto, including the costs of issuance of the Bonds, as hereinafter defined, on account thereof, the City shall issue and sell its waterworks revenue bonds in the aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000). The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Sinking Fund referred to below.

The Bonds shall be issued in one or more series and shall be designated as the "City of Madison, Indiana, Waterworks Revenue Bonds, Series 2022" and shall be issued in an aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000). The Bonds shall be issued as fully registered bonds in the denomination of One Dollar (\$1) each or any integral multiple thereof consistent with the requirements of the IFA Program if sold to the Authority as part of the IFA Program and in the denomination of One Thousand Dollars (\$1,000) each 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 22R-1 upward and shall bear interest at a rate not to exceed five percent (5.0%) per annum (the exact rate or rates to be determined by negotiation with the IFA 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 not later than the first January 1 or July 1 following the issuance of the Bonds (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 January 1, 2023, and ending no later than thirty (30) years after completion of the Project. 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 IFA Program shall mature semiannually on January 1 and July 1, or be subject to mandatory sinking fund redemption on January 1 or July 1, over a period ending no later than thirty-five (3035) years from the date of completionissuance of the ProjectBonds, and in such amounts as will allow the City to meet the coverage and/or amortization requirements of the IFA Program, with such debt service schedules to be finalized and set forth in the Financial Assistance Agreement.

The Bonds shall bear an original issue date which shall be the date of issuance of the Bonds, and each Bond shall also bear the date of its authentication. Any 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 Bonds sold to the Authority as part of its IFA 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 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 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 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 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 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 City and by first-class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor registrar and paying agent by the City. Any such notice to the City 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 City, in which event the City may appoint a successor registrar and paying agent. The City shall notify each registered owner of Bonds then outstanding by

first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor registrar and paying agent shall deliver all of 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 City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor registrar and paying agent.

If the Bonds are sold to the Authority as part of its IFA 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 IFA Program is the owner of the Bonds, such Bonds shall be presented for payment as directed by the Authority.

If the Bonds are not sold to the Authority as part of its IFA Program or if wire transfer payment is not required, principal of and any redemption premium on the Bonds shall be payable at the principal office of the Paying Agent. Interest on 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 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 Bond shall be transferable or exchangeable only on the books of the City 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 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. Each 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 Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond for redemption. The City, the Registrar and the Paying Agent may treat and consider the person in whose name any 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 Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss,

theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed 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 Bonds duly issued hereunder.

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

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the IFA Program (including without limitation any forgivable loans, grants or other assistance, whether available as an alternative to any Bond related provision otherwise provided for herein or as a supplement or addition thereto). If required by the IFA Program to be eligible for such financial assistance, one or more of the series of the 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 Bonds is junior and subordinate to the payment of the principal of and interest on other series of 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 Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of each series of Bonds issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

#### Section 4. The BANs.

The City has the authority to elect to issue its BAN or BANs if necessary, in lieu of initially issuing all or a portion of the Bonds to provide interim construction financing for the Project until permanent financing becomes available or to qualify for financial assistance provided from the IFA Program. The BANs shall be issued pursuant to the provisions of I.C. § 5-1-14-5 or as otherwise permitted by law and approved by the Mayor and Clerk-Treasurer. If so determined by the Mayor and Clerk-Treasurer, the City shall issue its BANs for the purpose of procuring interim financing to apply to the cost of the Project.

The BAN or BANs shall be issued, in one or more series, in an aggregate amount not exceeding Twelve Million Dollars (\$12,000,000) and shall be designated "City of Madison, Indiana Waterworks Bond Anticipation Note of 2022" (with the year and any series or other references added, revised or removed as appropriate). The BANs shall have a maturity not exceeding five (5) years, shall be dated the date of delivery and shall be in denominations of One Dollar (\$1) or integral multiples thereof (or such higher minimum denomination as the Clerk-Treasurer shall determine prior to the sale of the BANs). The term of the BANs and all

renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall bear interest at a rate or rates not exceeding five percent (5.0%) per annum, and may be sold at a discount not to exceed two percent (2.0%). The BANs are subject to renewal or extension at an interest rate or rates not to exceed five percent (5.0%) per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The principal of and interest on the BANs shall be payable solely from the issuance of the Bonds and in the manner prescribed by the Act (or, with respect solely to interest, from a pledge of the Net Revenues). The City may also use other revenues or funds of the City legally available therefor, if any, including amounts available to the City out of federal or state funds available for application to the Project, for payment of the principal of the BANs; provided, however, that no funds other than proceeds from the issuance and sale of the Bonds, if and when issued, are pledged to the payment of principal of the BANs. BAN interest shall be calculated according to a 360-day calendar year containing twelve 30-day months. The BANs shall be subject to early redemption on or after any date selected by the Mayor or Clerk-Treasurer prior to their issuance, upon seven (7) days' notice to the owner of such BAN, without a premium. BANs shall be in a customary form as approved by the Mayor or Clerk-Treasurer.

Notwithstanding anything in this Ordinance to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term "Taxable" as the first word in the designated name.

It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds; 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. The City shall issue the Bonds described and authorized in this Ordinance to discharge its obligations under the BAN and BANs at or before the maturity date of the BAN or BANs.

Section 5. Optional Redemption of the Bonds; Term Bonds. The Bonds shall be subject to redemption at the option of the City, but no sooner than ten (10) years after their date of delivery, or any date thereafter, for Bonds that are purchased by the Authority as part of the IFA program, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the City 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 Sherman, Barber & Mullikin CPA's, rate consultant to the City ("Sherman Barber") and set forth in the Clerk-Treasurer's Certificate; provided, that Bonds sold to the Authority as part of its IFA 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 IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City 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 Sherman Barber and set forth in the Clerk-Treasurer's Certificate, not in excess of two percent (2%) of the par amount of the Bonds to be redeemed; 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 IFA Program, to the registered owner as shown on the registration record of the City as of the date which is sixty-five (65) days prior to the redemption date for such 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 (or sixty (60) days if the Bonds are sold to the Authority as part of its IFA Program) prior to the scheduled redemption date to each of the registered owners of the 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 failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other 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. The place of redemption may be at the principal corporate trust office of the Registrar and Paying Agent or as otherwise determined by the City. Interest on the 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 Bonds (or portions thereof) are presented for payment. Any Bond 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 portions thereof) being redeemed and if so directed by the City, 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, all or a portion of the Bonds 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 or July 1 in the years determined by the winning bidder as set forth in the certificate of the City concerning the award of the Bonds (the "Award Certificate").

In the event that the winning bidder opts to aggregate certain 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 to the redemption date, but without premium, on the first day of January or July of each year and in the principal amount all as set forth in the Award Certificate if the Bonds 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 City and canceled by the Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond so purchased shall be credited by the Registrar at 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 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 5 of this Ordinance.

Section 6. Execution and Authentication of the Bonds. The Bonds and BANs, if any, shall be executed in the name of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall cause the seal, if any, of the City or a facsimile thereof to be affixed to each of the Bonds and BANs, if any. The Bonds and BANs, if any, shall be authenticated by the manual signature of the Registrar, and no 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 Bond or BAN shall cease to be such official before the delivery of such Bond or BAN, 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 Bonds or BANs, the Bonds and BANs, if any, shall be fully negotiable instruments under the laws of the State of Indiana.

The Bonds or BANs 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 City from time to time (the "Clearing Agency"). The City 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 or BANs, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds or BANs.

During any time that the Bonds or BANs are held in book-entry form on the books of a Clearing Agency (1) any such Bond or BAN 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 or BAN is so registered shall be, and the City and the Registrar and Paying Agent may, deem and treat such Clearing Agency as, the absolute owner and holder of such Bond or BAN 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 or BAN, the receiving of notice and the giving of consent; (3) neither the City 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 or BAN, 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 or BANs, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond or BAN 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 or BANs 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 City receives notice from the Clearing Agency which is currently the registered owner of the Bonds or BANs to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a clearing agency for the Bonds or BANs or (ii) the City elects to discontinue its use of such Clearing Agency as a clearing agency for the Bonds or BANs, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds or BANs, as are necessary or appropriate to discontinue use of such Clearing Agency as a clearing agency for the Bonds or BANs and to transfer the ownership of each of the Bonds or BANs to such person or persons, including any other clearing agency, as the holder of the Bonds or BANs may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds or BANs, shall be paid by the City.

During any time that the Bonds or BANs 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 or BANs 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 or BAN has been obtained, the Registrar or Paying Agent shall be entitled to treat the beneficial owners of the Bonds or BANs as the holder of the Bonds or BANs.

During any time that the Bonds or BANs 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 7. Security and Sources of Payment for the Bonds. The Bonds, 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, shall be valid and binding special revenue obligations of the City, 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, including System Development Charges (as hereafter defined), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, excluding transfers for payments in lieu of property taxes) derived from the Waterworks, including all such Net Revenues from any 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 the 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 City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.



Section 8. Form of the Bonds. 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 JEFFERSON  
CITY OF MADISON, INDIANA  
WATERWORKS REVENUE BOND, SERIES 2022

No. 22R-1

Interest Rate	Maturity Date	Original Date	Authentication Date
---------------	---------------	---------------	---------------------

%

Registered Owner:

Principal Amount:

The City of Madison (the "City"), in Jefferson 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 1 and 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 City, 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 CITY 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 CITY 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 City in the total amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) numbered 22R-1, issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the waterworks of the City and all expenses necessarily incurred in connection with the issuance of such bonds, as authorized by an ordinance adopted by the Common Council of the City on the \_\_\_\_ day of \_\_\_\_\_, 2022, entitled "An ordinance authorizing the acquisition, construction and installation by the City of Madison, Indiana, of certain improvements and extensions to the City's waterworks, the issuance and sale of revenue bonds to provide funds for the payment of the costs thereof, including the issuance of notes in anticipation of such bonds, 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, 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)] [One Thousand Dollars (\$1,000)] 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 any bonds hereafter issued ranking on a parity therewith, are payable solely from the "Waterworks Sinking Fund" created by the Ordinance (the "Sinking Fund") to be provided from the net revenues (herein defined as the gross revenues of the waterworks of the City, inclusive of System Development Charges (as defined in the Ordinance) remaining after payment of reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] OR [operation, repair and maintenance, excluding transfers for payments in lieu of property taxes] of the waterworks of the City.

The City 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 City 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 City and the Authority concerning certain terms and covenants pertaining to the Waterworks project and the purchase of this Bond as part of the drinking water 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 City irrevocably pledges the entire Net Revenues of the waterworks to the prompt payment of the principal of, and interest on the bonds authorized by this Ordinance, of which this one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and 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 waterworks 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 waterworks; (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 waterworks; 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 City 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 City or any officer of the City including the making and 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 application of the revenues and the respective funds and accounts as specified in the Ordinance.

The City further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of the Waterworks to meet (a) the interest on all bonds payable from the revenues of the Waterworks, 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 Waterworks, and (d) an additional amount as a margin of safety to create the reserve required by 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 City, in whole or in part, on \_\_\_\_\_ 1, 20\_\_, or on any date thereafter, in principal amounts selected by the City and in [inverse order of maturity] [order of maturity selected by the City] 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 IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Authority.]

[The bonds maturing on or after \_\_\_\_\_ 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on January 1 or July 1 in the years and amounts set forth below:

Year	Term Bond	Amount]
------	-----------	---------

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 moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient moneys 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 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 waterworks or an obligation of the City.

[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 City 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 City 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 City 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 City; 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 City 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 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 City, 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 City 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 City 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 City 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 City, 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 City 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 City.

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 City, 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 City, 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 City 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 City of Madison, in Jefferson County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, and its corporate seal be hereunto affixed and attested by the manual or facsimile signature of its Clerk-Treasurer.

CITY OF MADISON, INDIANA

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

(Seal of the City)

ATTEST:

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

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Madison, Indiana, Waterworks Revenue Bonds, Series 2022, 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]  
[Year Principal Amount]

[End of Form of Bond]

### Section 9. Issuance, Sale and Delivery of the Bonds.

(a) Generally. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Clerk-Treasurer are each hereby authorized and directed to execute the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds 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 98% of the par amount of the Bonds, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application to the costs of the Project (or the refunding of the BANs, if applicable), together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds. The authorized officers of the City 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.

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

(i) Public Sale. If the Bonds shall be sold by public sale, then prior to the sale of the Bonds, the Clerk-Treasurer shall cause to be published a notice of intent to sell once each week for two (2) weeks in the Madison Courier 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 City 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 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 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 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 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 as soon as the Bonds 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 City and shall be considered as the City's liquidated damages on account of such default.

All bids for the Bonds 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, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding \_\_\_\_ percent (\_\_\_\_%) per annum. 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 bearing each rate, and all the Bonds maturing on the same date shall bear the same rate of interest. The interest rate on Bonds 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 to the bidder offering the

lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds 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 98% of the par value of the Bonds (or such higher percentage of the par value of the Bonds as the Clerk-Treasurer, with the advice of Sherman Barber, 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, 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 re-advertising, pursuant to Indiana law.

The Clerk-Treasurer is hereby authorized to determine, in her discretion, to sell the Bonds pursuant to the general provisions of IC 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. The Clerk-Treasurer may also determine to sell the Bonds by private negotiation.

(ii) Sale to the Authority. As an alternative to public sale or a sale by private negotiation, the Clerk-Treasurer may negotiate the sale of the Bonds to the Authority as part of its IFA Program. The Mayor and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Authority as part of its IFA Program, (ii) execute a Financial Assistance Agreement (including any amendment thereof) with the Authority with terms conforming to this Ordinance, and (iii) sell such Bonds upon such terms as are acceptable to the Mayor 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 Common Council, and the Mayor 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 Bonds, the Clerk-Treasurer, subject to the direction of the Common Council, (i) shall be authorized to investigate, negotiate and obtain bond insurance, other forms of credit enhancement and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, with such opinion to be furnished to the purchaser of the Bonds at the expense of the City. 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 Bonds, shall be considered as a part of the cost of the Project and shall be paid out of the proceeds of the Bonds.

(d) Sale of BANs. In connection with the sale of the BANs, the Mayor and the Clerk-Treasurer each are authorized to take all or part of the same authorized actions, and

to execute and deliver the agreements and instrument, as they deem advisable with respect to the BANs to the same extent as if the foregoing provisions of this Section applicable to the Bonds were applied to the sale of the BANs, provided they shall not be required to take each and every such act as would relate to the Bonds unless by law it is required with respect to the BANs.

Section 10. Disposition of Proceeds of the Bonds; City of Madison, 2022 Waterworks Construction Account. The proceeds from the sale of the Bonds or, if applicable, the BANs, shall be deposited into a bank or banks which are legally qualified depositories for the funds of the City, in the special account to be designated as "City of Madison, 2022 Waterworks 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 the Ordinance and in the Act, together with the incidental expenses incurred in connection with the Project and the costs of issuance of the Bonds or, if applicable, the BANs, 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 IC 5-1-13, as amended. Pursuant to the Act, the owners of the Bonds or, if applicable, the BANs, shall be entitled to a lien on the proceeds of the Bonds or, if applicable, the BANs, until such proceeds are applied as required by this Ordinance and by Indiana law.

With respect to any Bonds sold to the Authority as part of its IFA Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City, 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 City shall reduce the principal amount of the remaining Bond maturities to effect such reduction in amounts that 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.

Section 11. Segregation and Application of Waterworks Revenues. All income and revenues derived from the operation of the Waterworks and from the collection of water rates and charges shall be deposited upon receipt into a fund hereby created and designated as the Revenue Fund (the "Revenue Fund"), and shall be segregated and kept separate and apart from all other funds and bank accounts of the City. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the Waterworks shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, the reserve shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided. No monies derived from the revenues of the Waterworks shall be transferred to the general fund of the City or be used for any purpose not connected with the Waterworks.

On the last day of each calendar month, there shall be credited from the Revenue Fund to the Operation and Maintenance Fund (the "Operation and Maintenance Fund") hereby created, a sufficient amount of the revenues of the Waterworks so that the balance in said fund shall be sufficient to pay the expenses of operation, repair and maintenance of the works for the next succeeding two (2) calendar months. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Waterworks on a day to day basis, but none of the moneys in such

fund shall be used for transfers for payments in lieu of property taxes or for depreciation, replacements, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding two (2) calendar months may be transferred to the Sinking Fund created hereby if necessary to prevent a default in the payment of principal or interest on outstanding bonds of the Waterworks.

Section 12. (a) Waterworks Sinking Fund. After the required deposits to the Operation and Maintenance Fund, Net Revenues shall be deposited from the Revenue Fund into the Waterworks Sinking Fund (the "Sinking Fund") created hereby for the payment of the interest on and principal of revenue bonds which by their terms are payable from the Net Revenues of the Waterworks, and the payment of any fiscal agency charges in connection with the payment of such bonds and interest thereon. There shall be set aside and deposited into the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of said Waterworks to meet the requirements of the Bond and Interest Account (as hereinafter defined) and the Reserve Account (as hereinafter defined) created hereby in said Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Reserve Account, equals the principal of and interest on all of the then outstanding bonds of the Waterworks to the final maturity thereof.

(b) Bond and Interest Account. There is hereby created 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 to the Bond and Interest Account hereby created, an amount of Net Revenues equal to the sum of one-sixth ( $1/6$ ) of the interest on all then outstanding bonds of the Waterworks payable on the then next succeeding Interest Payment Date, and one-sixth ( $1/6$ ) of the amount of principal payable on the next principal payment date on all then outstanding bonds of the Waterworks that will be payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding respective principal and interest payment dates shall have been so credited; provided that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on outstanding bonds of the Waterworks as the same become payable. The City shall, from the sums deposited into the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owners of the outstanding bonds of the Waterworks or to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof, together with the amount of any bank fiscal agency charges.

(c) Debt Service Reserve Account. There is hereby created within the Sinking Fund an account to be known as the "Reserve Account" (the "Reserve Account"). On or before the last day of each calendar month, after making the credits to the Bond and Interest Account, there shall be credited from available Net Revenues to the Reserve Account hereby created in amounts sufficient to produce, in equal monthly installments over a sixty (60) month period, an amount equal to the maximum annual debt service on the Bonds and any parity bonds issued in the future by the City that are payable from the Net Revenues of the Waterworks (the "Parity Bonds") (the "Reserve Requirement"); provided, however, that the Clerk-Treasurer, with the advice of Sherman Barber, may elect to satisfy all or a portion of the Reserve Requirement on the date of issuance of the Bonds from other available funds of the City. Said credits to the Reserve Account

shall continue until the balance therein shall equal the Reserve Requirement. The Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiencies in credits to the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds or any Parity Bonds, then such 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 hereinbefore provided for. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Waterworks Improvement Fund, and in no event shall such excess moneys be held in the Reserve Account.

Section 13. Waterworks Improvement Fund. There is hereby created a special fund to be known as the "Waterworks Improvement Fund" (the "Waterworks Improvement Fund"). After making all required payments into the Operation and Maintenance Fund and the Sinking Fund, then any excess Net Revenues may be credited to the Waterworks Improvement Fund hereby created. Said fund shall be used for improvements, replacements, additions and extensions of the Waterworks, including transfers to the City for payments in lieu of property taxes. Payments in lieu of property taxes may be transferred from the Waterworks Improvement Fund no more frequently than semiannually in January and July of each year, in accordance with the Act. Moneys in the Waterworks Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds, or if necessary to eliminate any deficiencies in credits to or minimum balances in the Reserve Account. Moneys in the Waterworks Improvement Fund also may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the Waterworks.

Section 14. Maintenance of Funds. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The Operations and Maintenance Fund and the Waterworks 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 City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the Waterworks) and apart from the Sinking Fund account or accounts. All monies deposited into 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, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or 5-1.2-14.5 (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 Waterworks, and (b) the other Funds and Accounts of the Waterworks shall be maintained as a separate bank account from the other funds and

accounts of the City, including, without limitation, any other funds and accounts for any other utility of the City beyond the Waterworks.

Section 15. Trust Arrangement Authorized. If any Bonds are sold to the Authority as part of the IFA Program, the Sinking Fund and the Construction Account may be held by a financial institution acceptable to the Authority as a part of its IFA Program, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenue in accordance with Section 11, 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 City'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 City shall deposit the proceeds of such Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Common Council hereby authorizes the Mayor 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 Sinking Fund and the Construction Account in the form of trust agreement as approved by the Mayor and the Clerk-Treasurer, consistent with the terms and provisions of this Ordinance.

Section 16. 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 as amended and supplemented, including pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or 5-1.2-14.5 (as applicable). 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 City. 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 of the Waterworks issued pursuant to the provisions of this Ordinance shall be outstanding. Investment income earned on moneys in the funds and accounts established by this Ordinance shall become a part of the funds and accounts invested (except as otherwise provided in Section ~~11~~12(c) hereof) and shall be used only as provided in this Ordinance.

Section 17. Books of Records and Accounts. The City 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 into 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 City 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 IFA Program, the City 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 waterworks 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. In such event, no moneys derived from the revenues of the Waterworks shall be transferred to the general fund of the City or be used for any purpose not connected with the Waterworks.

Section 18. Rates and Charges. The City, 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 Waterworks 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 City, provided that System Development Charges shall be excluded, as and 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 IFA 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 IFA Program or (ii) operation, repair, replacements and maintenance of the Waterworks 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 Waterworks; 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 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 City, 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 City; and (ii) paid for in monthly installments as the service accrues, out of the current revenues of the City, collected or in the process of collection, and the tax levy of the City 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 Waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the Waterworks.

Section 19. 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 moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that

case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's Waterworks.

Section 20. Additional Bonds. The City reserves the right to authorize and issue additional bonds, payable out 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, 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 Waterworks shall have been paid to date in accordance with the terms thereof and all credits required to be made to the Sinking Fund and the accounts thereof shall have been made to date. 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 11(c) of this Ordinance.

(b) The Net Revenues of the Waterworks in the fiscal year immediately preceding the issuance of any such Parity Bonds (provided that, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) ranking on parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of said Parity Bonds, the Waterworks rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations (provided that, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) 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 the then outstanding bonds and the additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the Waterworks shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City 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 IFA 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 said 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 any Bonds are sold to the Authority as part of its IFA Program, (i) the City obtains the consent of the Authority, (ii) the City has faithfully performed and is in



compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance, and (iii) the City is in compliance with its Waterworks permits, except for noncompliance, the elimination of which is a purpose for which the Parity Bonds, including any refunding bonds, are issued, so long as such issuance constitutes part of an overall plan to eliminate such noncompliance.

Section 21. Additional Covenants of the City. 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 City in connection with the construction of said additions and improvements to the Waterworks 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 Common Council. All estimates for work done or material furnished shall first be checked by the Consulting Engineers and approved by the Common Council.

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

(d) So long as any of the Bonds or BANs herein authorized are outstanding, the City shall maintain insurance coverage acceptable to the Authority if any Bonds or BANs are sold to or owned by the Authority as part of its IFA 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 or BANs are sold to or are owned by the Authority as part of its IFA Program, or, if no Bonds or BANs are sold to or are owned by the Authority as part of its IFA 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 or BANs are outstanding, the City 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 or BANs are sold to the Authority as part of its IFA Program, provided that the City shall obtain the prior written consent of the Authority.

(f) If any Bonds or BANs are sold to the Authority as part of its IFA Program, and, except as otherwise specifically provided in Section 20 hereof, the City 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 Waterworks other than for normal operating expenditures or (ii) borrow any money (including without limitation any loan from other utilities operated by the City) in connection with the Waterworks.

(g) Except as hereinbefore provided in Section 20 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 Waterworks shall be authorized, executed or issued by the City 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 19 hereof coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs, if any, 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 Waterworks 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 and BANs, if any, 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 Waterworks in the event of default in the payment of the principal of or interest on any of the Bonds and BANs, if any, or in the event of default in respect to any of the provisions of this Ordinance or the Act.

(i) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds and BANs, if any, all of the terms of which shall be enforceable at law or in equity, and after the issuance of the Bonds or BANs 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 or BANs, and the Common Council of the City 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 or BANs remain unpaid. Except with respect to amendments described in Section 24(a)-(g) hereof, however, this Ordinance may be amended pursuant to Section 24 (i) without the consent of the owners of the Bonds or BANs if, among other things, the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds and BANs, if any, and (ii) as otherwise permitted pursuant to Section 24; provided, however, that if any Bonds or BANs are sold to and owned by the Authority as part of its IFA Program, the City shall obtain the prior written consent of the Authority.

(j) For purpose of this Section 21, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the Waterworks, whether the City 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 22. 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 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 BANs, or the tax-exempt status of interest on the Bonds or BANs, under federal law.

(b) 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 City as to requirements of federal law to preserve the tax exclusion or exemption.

Section 23. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs, if any, from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the City represents, covenants and agrees that:

(a) No person or entity, other than the City or another state or local governmental unit, will use proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by the Bond or BAN 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 or BAN proceeds will be loaned to any entity or person. No Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(c) The City 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 or BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds or BANs pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City further covenants that it will not make any investment or do any other act or thing during the period that any Bond or BAN is outstanding hereunder which would cause any Bond or BAN 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 or BANs.

(d) The City will, to the extent necessary to preserve the exclusion of interest on the Bonds and BANs, if any, from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond or BAN proceeds or other moneys treated as Bond or BAN 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.

(e) All officials, officers, members, employees and agents of the City are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the City as of the date that the Bonds or BANs are issued, and to make covenants on behalf of the City 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 City are authorized to certify and/or enter into covenants on behalf of the City regarding (i) the facts and circumstances and reasonable expectations of the City as of the date that the Bonds or BANs are issued and (ii) the commitments made herein by the City regarding the amount and use of the proceeds of the Bonds or BANs.

(f) The Clerk-Treasurer is hereby authorized to employ consultants and attorneys from time to time to advise the City with respect to the requirements under federal law for the continuing preservation of the exclusion of interest on the Bonds or BANs from gross income for purposes of federal income taxation, as described in this Section 23.

Section 24. Supplemental Ordinances. Without notice to or consent of the owners of the bonds herein authorized, the City 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 or BANs any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds or BANs herein authorized or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the Bonds or BANs;

(iii) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds or BANs 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 or BANs;

(iv) To provide for the refunding or advance refunding of the Bonds or BANs;

(v) To procure a rating on the Bonds 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 or BANs; and

(vi) Any other purpose which, in the judgment of the City, does not adversely affect the interests of the owners of the Bonds or BANs.

Subject to the terms and provisions contained in this Section 24, 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 or BANs 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 City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City 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 or BANs are sold to the Authority as part of its IFA Program, the City 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 or BAN issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any Bond or BAN 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 waterworks ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any Bond or Bonds (or BAN or BANs) issued pursuant to this ordinance over any other Bond or Bonds (or BAN or BANs) issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds or BANs 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 or BANs 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 or BAN 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 City 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 City and all owners of Bonds or BANs 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 City and of the owners of the Bonds or BANs authorized by this Ordinance, and the terms and provisions of the Bonds or BANs and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds or BANs issued pursuant to this Ordinance then outstanding.

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

Section 26. 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 BANs or the exclusion of interest on the Bonds or BANs from gross income under federal law ("Tax Exemption") need

not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 27. Clerk-Treasurer's Certificate. The Clerk-Treasurer shall, prior to the sale of the Bonds or BANs, set forth in a certificate (the "Clerk-Treasurer's Certificate") the first Interest Payment Date, the principal payment schedule for the Bonds or BANs, the percentage of par at which the Bonds or BANs shall be sold and any other matters required by this Ordinance to be provided in the Clerk-Treasurer's Certificate.

Section 28. Disclosure. The Bonds (other than Bonds sold to the Authority as part of its IFA Program) shall 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 Common Council hereby authorizes the Mayor 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 City; (b) on behalf of the City, 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 Mayor 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 City agrees to undertake such continuing disclosure obligations as may be required under the Rule.

Section 29. Further Actions. The Common Council hereby requests, authorizes and directs the Mayor and the Clerk-Treasurer, and each of them, for and on behalf of the City, 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 City, the full performance and satisfaction of which by the City are hereby authorized and directed.

Section 30. 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 City or the City 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 31. 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 32. 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 33. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

ALL OF WHICH IS PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022, BY THE COMMON COUNCIL OF THE CITY OF MADISON, JEFFERSON COUNTY, INDIANA.

CITY OF MADISON, JEFFERSON  
COUNTY, INDIANA

\_\_\_\_\_  
Bob G. Courtney, Mayor

ATTEST:

\_\_\_\_\_  
Katie Rampy, Clerk-Treasurer

## EXHIBIT A

### **City of Madison Water Utility Improvement**

The Project includes the following Work:

#### **Division “A” – Supply and Treatment Improvements**

This project includes but is not limited to improvements to the City’s water supply and treatment facilities. The work includes upgrades to the water treatment plant’s new chlorine feed equipment, gas scrubber, piping improvements, heat tracing, SCADA upgrades, and new VFD’s at each of the five (5) booster stations.

#### **Division “B” – Storage Tanks Rehabilitation**

This project includes improvements to the water utility storage facilities for the City. The work includes sandblasting, recoating, installation of new level sensors, new internal safety ladders, manway upgrades, davit arm upgrades, strut tensioning, structural bolt tensioning, and other minor mechanical repairs at all six (6) of the City’s existing storages tanks.

#### **Division “C” – Water Main Replacements**

The project consists of furnishing all labor, material, and equipment to fully complete upgrades to the City of Madison’s water distribution system. The work consists of, but is not limited to, the installation of approximately 11,000 LF of 8-inch and approximately 11,800 LF of 6-inch diameter water mains, new fire hydrants, abandonment of existing water mains in place, all associated connections to existing mains and services, and all related work required to complete the project as outlined the Plans & Specifications. This includes associated paving, grading, surface restoration, striping, and utility relocation to accommodate the proposed improvements.



## EXHIBIT B

### Form of Financial Assistance

#### STATE OF INDIANA

#### DRINKING WATER 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 City of Madison, Indiana (the "Participant"), a political subdivision as defined  
in I.C. 5-1.2-2-57, operating its water utility under I.C. 8-1.5, witnesseth:

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

WHEREAS, pursuant to the Drinking Water SRF Act, the State was authorized to fund  
the Drinking Water SRF Program with federal capitalization grants, together with required state  
matching funds therefor, and to operate the Drinking Water SRF Program, and prior to May 15,  
2005 so funded and operated the Drinking Water 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  
Drinking Water SRF Program (including use and acceptance of federal capitalization grants and  
required state matching funds and operation of the Drinking Water 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 drinking water system project  
(as more fully described herein, the "Project") and to borrow money from the Drinking Water  
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 Drinking Water System and which is consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water 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.

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

“Commission” shall mean the Indiana Utility Regulatory Commission created under I.C. 8-1-1-2 or its successor.

“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 Drinking Water System, 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 Drinking Water SRF Program Representative and the Drinking Water 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.

“Drinking Water SRF Fund” shall mean the drinking water revolving loan fund as established by I.C. 5-1.2-10-2.

“Drinking Water SRF Indenture” shall mean the Fourth Amended and Restated Drinking Water 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 Drinking Water SRF Program) and the Trustee, as amended and supplemented from time to time.

“Drinking Water System” shall mean all, or any part of, the system for the provision to the public of water for human consumption through pipes and other constructed conveyances that:

- (1) has at least fifteen (15) service connections; or
- (2) regularly serves at least twenty-five (25) individuals;

and as further defined and described in I.C. 13-11-2-177.3 and SRF Policy Guidelines, as amended and supplemented from time to time.

“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 Drinking Water SRF Program within the meaning of the Drinking Water SRF Indenture.

“Financial Assistance” shall mean the financial assistance authorized by the Safe Drinking 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 Drinking Water System, a plan that is consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water SRF Act and includes (a) an inventory of critical assets that are a part of the Drinking Water System, (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 Drinking Water System 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 Drinking Water System or refinance an existing debt obligation where such debt was incurred and building of such systems began after July 1, 1993, 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 Drinking Water 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, 20 ] and the first day of each sixth (6<sup>th</sup>) 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 Drinking Water System, including maintaining compliance with primary and secondary drinking water standards, as follows:

(1) Operation shall mean the control and management of the united processes and equipment which make up the Drinking Water System, 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 Drinking Water SRF Indenture and held as part of the Drinking Water SRF Fund.

“Safe Drinking Water Act” shall mean the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq. and other laws, regulations and guidance supplemental thereto, as amended and supplemented from time to time including the 2014 Appropriations Act.

“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 Drinking Water 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 Drinking Water System that are available for deposit under the Authorizing Instrument.

“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 Drinking Water 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 Safe Drinking Water Act), 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: City of Madison Drinking Water SRF, 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. (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 Drinking Water SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 5-1.2-10, SRF Policy Guidelines, the Safe Drinking 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 Drinking Water 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 Drinking Water System 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 Drinking Water System, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Drinking Water System (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 Drinking Water System.

(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 Drinking Water System 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 the 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 Drinking Water System and (3) the books and other financial records of the Drinking Water System, 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 Drinking Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Drinking Water System 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 Drinking Water System 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 Drinking Water System, 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 Drinking Water System 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 Drinking Water System 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 Drinking Water System, 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 Drinking Water 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 Drinking Water System consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water 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 Drinking Water System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Drinking Water System, or that in any way uses or is served by the Drinking Water System, (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 Drinking Water System, to comply with and satisfy all covenants contained herein and to pay all obligations of the Drinking Water System 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 Drinking Water System, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Drinking Water System without the prior written consent of the Finance Authority if such undertaking would involve, commit or use the revenues of the Drinking Water System; provided that the Participant may authorize and issue additional obligations, payable out of the revenues of its Drinking Water System, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Drinking Water System, or to refund obligations of the Drinking Water System, 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 Drinking Water System 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 Drinking Water System 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 Drinking Water System 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 Safe Drinking 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 Safe Drinking 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 Safe Drinking 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 Drinking Water System, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all



obligations of the Drinking Water System (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 Drinking Water System (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 Drinking Water System are not subject to I.C. 8-1.5.

(b) The Participant and its Drinking Water System are not subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law and the Project and the Bonds are subject to the Commission's review and approval requirements. If the Participant or its Drinking Water System is subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law, the Commission has reviewed and approved the Project and the issuance of the Bonds and no additional approvals or consents are required to be obtained from the Commission related thereto.

(c) 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.

(d) 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.

(e) 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 Drinking

Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) For any outstanding bonds payable from the revenues of the Drinking Water System 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 Drinking Water System 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 Drinking Water 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:

101 West Main Street,  
Madison, IN 47250  
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 Drinking Water 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 Catalogue of Federal Domestic Assistance (“CFDA”) Number for the Authority’s Drinking Water SRF Program is 66.468 and the Federal Agency & Program Name is “US Environmental Protection Agency Capitalization Grant for Drinking Water State Revolving Funds.”

(End of Article V)

[THE REMAINDER OF THIS PAGE HAS  
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.

CITY OF MADISON, INDIANA

(i)

INDIANA

FINANCE AUTHORITY

"Participant"

"Finance Authority"

By:

By:

James P. McGoff

Director of Environmental Programs

Attest:

## EXHIBIT A

The Project consists of the following improvements to the Participant's Drinking Water System:

- Rehabilitation of all six of the utility's water storage facilities inclusive of control upgrades,
- Rehabilitation of the existing JPG and West End Water Treatment Plants, including replacing the existing chlorine gas disinfection systems in-kind, improving process piping, providing heat trace and insulation for exposed process piping, and making building improvements,
- Installing variable frequency drives on well pumps 1-4, the booster station pumps at the West End Wellfield, and the booster station pumps at the Hilltop Ground Storage Tanks,
- Replacing flow meters at the water treatment plants,
- Installation of new integrated controls at the water treatment plants to automate the treatment process,
- Installation of approximately 6,000 lineal feet of 8-inch water main and associated appurtenances to replace existing 6-inch and 8-inch water main in the Franks Drive area,
- Installation of approximately 7,000 lineal feet of 6-inch water main and associated appurtenances to replace existing 6-inch and 2-inch water main in the Sunrise Drive area,
- Installation of approximately 2,000 lineal feet of 6-inch water main and associated appurtenances to replace existing 6-inch and 2-inch water main in the East Street area,
- Installation of approximately 4,500 lineal feet of 8-inch water main and associated appurtenances to replace existing 6-inch and 8-inch water main in the Hillcrest Drive area,
- Installation of approximately 2,000 lineal feet of 6-inch water main and associated appurtenances to replace existing 6-inch water main in the Flint Road area, and
- Purchase of approximately 3,000 customer water meters.

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>
<u>01/01/2023</u>	<u>\$</u>	<u>01/01/2041</u>	<u>\$</u>
<u>07/01/2023</u>		<u>07/01/2041</u>	
<u>01/01/2024</u>		<u>01/01/2042</u>	
<u>07/01/2024</u>		<u>07/01/2042</u>	
<u>01/01/2025</u>		<u>01/01/2043</u>	
<u>07/01/2025</u>		<u>07/01/2043</u>	
<u>01/01/2026</u>		<u>01/01/2044</u>	
<u>07/01/2026</u>		<u>07/01/2044</u>	
<u>01/01/2027</u>		<u>01/01/2045</u>	
<u>07/01/2027</u>		<u>07/01/2045</u>	
<u>01/01/2028</u>		<u>01/01/2046</u>	
<u>07/01/2028</u>		<u>07/01/2046</u>	
<u>01/01/2029</u>		<u>01/01/2047</u>	
<u>07/01/2029</u>		<u>07/01/2047</u>	
<u>01/01/2030</u>		<u>01/01/2048</u>	
<u>07/01/2030</u>		<u>07/01/2048</u>	
<u>01/01/2031</u>		<u>01/01/2049</u>	
<u>07/01/2031</u>		<u>07/01/2049</u>	
<u>01/01/2032</u>		<u>01/01/2050</u>	
<u>07/01/2032</u>		<u>07/01/2050</u>	
<u>01/01/2033</u>		<u>01/01/2051</u>	
<u>07/01/2033</u>		<u>07/01/2051</u>	
<u>01/01/2034</u>		<u>01/01/2052</u>	
<u>07/01/2034</u>		<u>07/01/2052</u>	
<u>01/01/2035</u>		<u>01/01/2053</u>	
<u>07/01/2035</u>		<u>07/01/2053</u>	
<u>07/01/2036</u>		<u>01/01/2054</u>	
<u>01/01/2037</u>		<u>07/01/2054</u>	
<u>07/01/2037</u>		<u>01/01/2055</u>	
<u>01/01/2038</u>		<u>07/01/2055</u>	
<u>07/01/2038</u>		<u>01/01/2056</u>	
<u>01/01/2039</u>		<u>07/01/2056</u>	
<u>07/01/2039</u>		<u>01/01/2057</u>	
<u>01/01/2040</u>		<u>07/01/2057</u>	
<u>07/01/2040</u>			
		<b><u>TOTAL</u></b>	<b><u>\$</u></b>

[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 are NOT applicable to the Loan:*

“Equivalency Project” shall mean a project designated by the Finance Authority as an “equivalency project” under the Safe Drinking Water Act related to the “US Environmental Protection Agency Capitalization Grant for Drinking Water State Revolving Funds” for the federal fiscal year ending September 30, 2022 (or such later federal fiscal year as the Finance Authority may otherwise designate).

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 Safe Drinking Water Act.

The Participant further understands and agrees that it is required to comply with all terms of 2 CFR 200.216, Prohibition on certain telecommunication and video surveillance services or equipment, which among other requirements prohibits the use of Loan proceeds by the Participant to procure (by means of entering into, extending, or renewing contracts) or obtain equipment, systems or services that use “covered telecommunications equipment or services” identified in the regulation as a substantial or essential component of any Drinking Water System, or as critical technology as part of any Drinking Water System. Such prohibitions extend to the use of Loan proceeds by the Participant to enter into a contract with an entity that “uses any equipment, system, or service that uses covered telecommunications equipment or services” as a substantial or essential component of any Drinking Water System, or as critical technology as part of any Drinking Water System. The Participant represents and warrants that it has not procured or obtained from Loan proceeds equipment, systems or services that use “covered telecommunications equipment or services” identified in the regulation as a substantial or essential component of any Drinking Water System, or as critical technology as part of any Drinking Water System.

*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 Drinking Water 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 Drinking Water SRF Program’s interest rate policies and practices using the final, actual GPR Projects Expenditures (rather than the amount referenced in the Participant’s business case or categorical exclusion posted at [www.srf.in.gov](http://www.srf.in.gov)), all as

determined by the Finance Authority.

“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 Drinking Water SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Drinking Water 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 amount referenced in the Participant’s business case or categorical exclusion, 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 GPR Projects 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 LLR Projects (and the related defined terms) are NOT applicable to the Loan.

“LLR Projects” shall mean Project components that meet the requirement of the “Lead Line Replacement (LLR) Incentive Program” consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water SRF Act.

“LLR 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 Drinking Water SRF Program’s interest rate policies and practices using the final, actual LLR Projects Expenditures (rather than the amount referenced in the Participant’s related post-bid and other documents submitted to the Finance Authority), all as determined by the Finance Authority.

“LLR Projects Expenditures” shall mean those costs and expenses incurred by the Participant that are part of the Project which are LLR Projects in nature (within the meaning of the Drinking Water SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Drinking Water 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 LLR Projects project. In the event LLR Projects Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the

Participant's related post-bid and other documents submitted to the Finance Authority, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a LLR Projects Adjustment Fee in connection with the Loan. The Participant shall certify to the Finance Authority those Loan disbursements it represents to be its LLR Projects Expenditures when and as required by SRF Policy Guidelines.

[End of Exhibit D]

~~(To Be Attached)~~



Document comparison by Workshare Compare on Monday, October 10, 2022  
9:22:53 AM

Input:	
Document 1 ID	iManage://DMS.BTLAW.COM/DMS/23803258/2
Description	#23803258v2<DMS.BTLAW.COM> - 2022 Madison Water Bond Ordinance
Document 2 ID	iManage://DMS.BTLAW.COM/DMS/23803258/3
Description	#23803258v3<DMS.BTLAW.COM> - 2022 Madison Water Bond Ordinance
Rendering set	standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
Moved from	
Moved to	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	351
Deletions	7
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	358