

ORDINANCE NO. 2018-03

An Ordinance concerning the construction of additions and improvements to the waterworks of the Town of Wolcott, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said waterworks, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith

WHEREAS, the Town of Wolcott, Indiana (the “Town”) has heretofore established, constructed and financed its waterworks, and now owns and operates said waterworks pursuant to Indiana Code 8-1.5, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the “Act”)(all references hereinafter to the Indiana Code are designated as “IC” followed by the applicable code section or sections); and

WHEREAS, the Town Council of the Town (the “Town Council”) finds that plans, specifications and estimates have been prepared and filed by the engineers employed by the Town for the construction of additions and improvements to the waterworks (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the “Project”), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Clerk-Treasurer of the Town as required by law; and

WHEREAS, the Town will advertise and receive bids for the Project; said bids will be subject to the Town’s determination to construct said Project and subject to the Town obtaining funds to pay for said Project; that on the basis of the estimates of the engineers and the municipal advisor for the Town, the cost of said Project, including estimated incidental expenses, is in the estimated amount of Five Million Six Hundred Ten Thousand Dollars (\$5,610,000); and

WHEREAS, the Town has applied to the United States Department of Agriculture, acting through Rural Development (“RD”), for a grant for the Project and anticipates receiving a grant from RD for costs of the Project in the estimated amount not to exceed Two Million Five Hundred Forty-Six Thousand Dollars (\$2,546,000) (the “RD Grant”); and

WHEREAS, the Town Council finds that it has no funds on hand available for costs of the Project and that it is necessary to authorize the financing of the costs of the Project, to the extent not funded by the RD Grant, by the issuance of waterworks revenue bonds, in one or more series, in an aggregate principal amount not to exceed Three Million Sixty-Four Thousand Dollars (\$3,064,000) and, if necessary, bond anticipation notes (the “BANs”); and

WHEREAS, the Town Council finds that the Town has outstanding certain Waterworks Revenue Bonds of 2001 (the “2001 Bonds”) payable out of the Net Revenues (as hereinafter defined) of the Town’s waterworks and that such 2001 Bonds will be retired or defeased prior to the issuance of the bonds herein authorized; and

WHEREAS, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the waterworks and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this ordinance; and

WHEREAS, the Town desires to authorize the issuance of BANs hereunder, if necessary, payable from the proceeds of the bonds issued hereunder and, with respect to interest only, proceeds of the BANs allocable to capitalized interest and/or Net Revenues of the waterworks, junior and subordinate to the bonds herein authorized and any additional bonds issued pursuant to Section 20 hereof, and to authorize the refunding of the BANs, if issued; and

WHEREAS, the Town has applied to RD for financing for the Project and expects that RD will purchase the bonds herein authorized in one or more series in the combined aggregate principal amount not to exceed Three Million Sixty-Four Thousand Dollars (\$3,064,000); and

WHEREAS, the Town Council finds that proceeds of the bonds to be issued pursuant to this ordinance and, if issued, BANs, may be applied to the costs of reimbursement of the Town for preliminary expenditures incurred by the Town on costs of the Project pursuant to Section 1.150-2 of the Treasury Regulations on Income Tax; and

WHEREAS, the Town has removed its waterworks from the jurisdiction of the Indiana Utility Regulatory Commission (the "Commission") for the approval of rates and charges and financings; consequently, the approval of the Commission will not be required prior to the issuance of the bonds or BANs herein authorized; and

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

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WOLCOTT, INDIANA, THAT:

Section 1. Authorization of Project. The Town proceed with the construction of the Project in accordance with the plans and specifications heretofore prepared and filed by the consulting engineers employed by the Town. Two (2) copies of the plans and specifications are now on file in the office of the Clerk-Treasurer of the Town and open for public inspection pursuant to IC 36-1-5-4, which plans and specifications are hereby adopted, approved and by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein. The estimated cost of construction of the Project will not exceed Five Million Six Hundred Ten Thousand Dollars (\$5,610,000), plus investment earnings on the BAN and bond proceeds, without further authorization from the Town Council. The terms "waterworks," "waterworks system," "works," "system," "utility," and words of like import where used in this ordinance shall be construed to mean and include the existing waterworks system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project is hereby approved. Said Project

shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of BANs. The Town shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the cost of (i) the Project, (ii) reimbursement to the Town for preliminary expenses incurred on the Project prior to the issuance of the BANs, if any, (iii) capitalized interest, if any, and (iv) costs incurred in the issuance of the BANs. The Town may issue its BANs in an aggregate principal amount not to exceed Three Million Sixty-Four Thousand Dollars (\$3,064,000) to be designated “Waterworks Bond Anticipation Notes, Series 201__” to be completed with the year in which issued. The BANs shall be sold at not less than 99.0% of their par value, numbered consecutively from 1 upward, shall be in multiples of One Dollar (\$1) or One Thousand Dollars (\$1,000), as determined by the Clerk-Treasurer of the Town with the advice of the Town’s municipal advisor, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 5.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. Interest on the BANs may, as determined by the Clerk-Treasurer, with the advice of the Town’s municipal advisor, also be payable semiannually on January 1 and July 1 of each year, commencing on the first January 1 or the first July 1 following delivery of the BANs.

The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 5.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The BANs shall be issued pursuant to IC 4-4-11 and IC 13-18-21 if sold to the Indiana Finance Authority, pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank, or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The Town shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act.

Interest on the BANs may, as determined by the Clerk-Treasurer with the advice of the Town’s municipal advisor, also be payable from capitalized interest and/or Net Revenues of the waterworks. Any pledge of Net Revenues of the waterworks to the payment of interest on the BANs shall be junior and subordinate to the payment of any bonds issued pursuant to this ordinance and any additional parity bonds issued in the future pursuant to Section 20 of this ordinance. The BANs shall rank on a parity with respect to the pledge of Net Revenues of the waterworks in the event more than one (1) series of BANs is outstanding and secured, with respect to the payment of interest thereon, by the Net Revenues of the waterworks.

In the event the BANs are sold to the Indiana Bond Bank, the Town Council President and Clerk-Treasurer of the Town are hereby authorized to execute and deliver any such applications, documents, agreements and certificates relating to the program for the purchase of such BANs by the Indiana Bond Bank (the “Bond Bank BAN Purchase Documents”), including

any extensions or renewals of such BANs, provided the terms of any such Bond Bank BAN Purchase Documents are consistent with the terms and provisions of this ordinance.

Section 3. Issuance of Bonds. The Town shall issue its waterworks revenue bonds in one or more series in the combined aggregate principal amount not to exceed Three Million Sixty-Four Thousand Dollars (\$3,064,000). The bonds shall be designated as the “Waterworks Revenue Bonds, Series 20__ __” to be completed with the year in which issued and appropriate series designation, if any (the “Bonds”). If the Bonds are sold in more than one series, any sale and issuance of Bonds which follows the issuance of the first series of Bonds hereunder shall rank on a parity with such first series of Bonds and must satisfy the requirements established by Section 20 of this ordinance.

The Town shall issue the Bonds for the purpose of procuring funds to apply on the cost of (i) the Project, (ii) refunding the BANs, if issued, (iii) reimbursement to the Town for preliminary expenses incurred on the Project prior to the issuance of the Bonds, if any, and (iv) costs incurred in the issuance of the Bonds. The Bonds shall be issued and sold at a price not less than par value thereof. The Bonds shall be issued in fully registered form in denominations of \$1.00 each or integral multiples thereof, numbered consecutively from 1 up for each series, originally dated as of the date of delivery of the Bonds, and shall bear interest at a rate or rates not exceeding 5.0% per annum (the exact rate or rates to be determined by negotiation with RD). Interest shall be payable semiannually on January 1 and July 1 in each year commencing on either the first January 1 or the first July 1 following delivery of the Bonds, as determined by the Clerk-Treasurer with the advice of the Town's municipal advisor. Principal shall be payable in lawful money of the United States of America and such Bonds shall mature annually on July 1, or be subject to mandatory sinking fund redemption on July 1, over a period ending no later than forty (40) years from the date of delivery of the Bonds, and in such amounts that will either (i) produce as level annual debt service as practicable taking into account the annual debt service on the Bonds or otherwise (ii) enable the Town to meet the requirements for financing from RD.

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the waterworks of the Town after deduction only for the payment of the reasonable expenses of operation, repair and maintenance of said waterworks, exclusive of any transfers for payment in lieu of property taxes).

Section 4. Registration of Bonds. The Bonds shall be registered in the name of the owner in a book maintained for that purpose by the Clerk-Treasurer of the Town, and such registration shall be noted thereon by the Clerk-Treasurer as bond registrar, after which no transfer shall be valid except by transfer duly acknowledged by the registered owner or its attorney, such transfer to be made in said book and similarly noted on the Bond. No charge shall be made for registration. Principal of said fully registered Bonds, subject to prior prepayment as hereinafter provided, shall be payable on July 1, in the years and installments as correspond to the years and amounts established in accordance with Section 3 hereof. Both interest and principal of the fully registered Bonds are payable in lawful money of the United States of America by check mailed to the registered owner one business day prior to the payment date, at the address of said owner as it appears on the registration records of the Town; provided that at the time of final payment, said fully registered Bond or Bonds must be delivered to the Town.

The party in whose name said Bonds shall be registered shall be deemed the absolute owner for all purposes and payments to such owner shall completely discharge the Town's obligations.

Section 5. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. Each of the Bonds and BANs shall be issued in the name of the Town and shall be executed by the President of the Town Council and attested by the Clerk-Treasurer of the Town who shall affix the seal of the Town thereto. The Bonds shall not be the general obligation of the Town and the Bonds shall state on their face that the Town shall not be obligated to pay the same or the interest thereon except from the special revenue fund provided from the Net Revenues of the waterworks of the Town. Subject to the provisions for registration hereof, the Bonds and BANs shall have all of the qualities and incidents of a negotiable instrument under the laws of the State of Indiana.

Section 6. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

Form of Fully Registered Bond

__[__]R-01

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF WHITE

TOWN OF WOLCOTT, INDIANA

WATERWORKS REVENUE BOND, SERIES 20__[__]

The Town of Wolcott, Indiana (the "Town"), in White County, State of Indiana, for value received, hereby promises to pay to the registered owner solely out of the special revenue fund hereinafter referred to, the principal amount of

_____ DOLLARS (\$_____)

on July 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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(subject to any prepayments of principal as hereinafter provided) and to pay interest on the unpaid balance hereof from the dates of payment as recorded hereon until the principal is paid, at the rate of ____% per annum, payable semiannually on January 1 and July 1, beginning _____

1, 20___. Interest shall be calculated on the basis of 365 days and the actual number of days elapsed.

Both the principal and interest of this Bond are payable in lawful money of the United States of America, by check mailed to the registered owner one business day prior to the payment date at the address as it appears on the registration records of the Town. Upon final payment, this Series 20__[___] Bond shall be delivered to the Town and cancelled.

This Series 20__[___] Bond shall not constitute an indebtedness of the Town of Wolcott, Indiana, within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Town shall not be obligated to pay this Series 20__[___] Bond or the interest hereon except from the special fund provided from the Net Revenues.

This Series 20__[___] Bond is the only one of an authorized issue of Series 20__[___] Bonds of the Town of Wolcott, Indiana, in the total amount of _____ Dollars (\$_____) (the "Series 20__[___] Bonds"). [Concurrently with the issuance of this Series 20__[___] Bond, the Town is also issuing its Waterworks Revenue Bonds, Series 20__[___] in the aggregate principal amount of \$_____ (the "Series 20__[___] Bonds").

The Series 20__[___] Bonds and the Series 20__[___] Bonds (collectively, the "Series 20__ Bonds") are issued by the Town of Wolcott, Indiana for the purpose of providing funds to be applied on the cost of construction of additions and improvements to the Town's waterworks (the "Project"), [to refund interim notes issued in anticipation of the Series 20__ Bonds][, to reimburse the Town for costs incurred by the Town on the Project prior to the issuance of the Series 20__ Bonds] and to pay incidental expenses, as authorized by an Ordinance adopted by the Town Council of the Town of Wolcott, Indiana, on the ___ day of _____, 201__, entitled "An Ordinance concerning the construction of additions and improvements to the waterworks of the Town of Wolcott, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said waterworks, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with the provisions of Indiana Code 8-1.5, as in effect on the issue date of the Series 20__ Bonds (the "Act").

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Series 20__[___] Bond, and any bonds hereafter issued on a parity therewith, are payable solely from the Waterworks Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues of the waterworks of the Town after the deduction only for the payment of the reasonable expenses of operation, repair and maintenance of said waterworks, exclusive of any transfers for payment in lieu of property taxes). The payment of this Series 2012[___] Bond ranks on a parity with the payment of the Series 20__[___] Bonds. The Town reserves the right to issue additional bonds on a parity with this Series 20__[___] Bond and the issue of which it is a part, as provided in the Ordinance.

The Town of Wolcott, Indiana irrevocably pledges the entire Net Revenues of said waterworks to the prompt payment of the principal of and interest on the Series 20__[] Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the Series 20__ [] Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid into the Waterworks Sinking Fund under the provisions of the Act and the Ordinance. If the Town or the proper officers of the Town shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Series 20__[] Bond, the owner of this Series 20__[] Bond shall have all of the rights and remedies provided for under Indiana law, including the provisions of the Act.

The Town of Wolcott, Indiana has designated the Series 20__[] Bonds as qualified tax-exempt obligations to qualify for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

The Town of Wolcott, Indiana further covenants that it will set aside and pay into its Waterworks Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount to create and maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the Series 20__[] Bonds.

This Series 20__[] Bond may be transferred upon presentation of the Series 20__[] Bond and an executed assignment to the Clerk-Treasurer of the Town for notation of the same upon this Series 20__[] Bond and the registration record of the Town kept for that purpose or may be exchanged as provided in the Ordinance.

Installments of principal of this Series 20__[] Bond may, at the option of the Town, be prepaid in whole or in part on any date after issuance, in any multiple of One Dollar (\$1.00), upon thirty (30) days' notice to the registered owner, at par and accrued interest to the date of prepayment. Interest on the installments of principal so prepaid shall cease on such date of prepayment. This Series 20__[] Bond must be presented at the office of the Clerk-Treasurer of the Town for any such prepayments.

If this Series 20__[] Bond shall not be presented for payment or redemption on the date fixed herefore, the Town may deposit in trust with its depository bank, an amount sufficient to pay such Series 20__[] Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the Town shall have no further obligation or liability in respect thereto.

This Series 20__[] Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS SERIES 20__[] BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Series 20__[] Bonds as provided in the Ordinance if the Town Council of the Town determines, in its sole discretion, that the amendment shall not adversely affect the rights of any owners of the Series 20__[] Bonds.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Series 20__[] Bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the Town of Wolcott, Indiana, in White County, Indiana, has caused this Series 20__[] Bond to be executed in its corporate name by the President of its Town Council, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually by its Clerk-Treasurer, as of _____, 20__.

TOWN OF WOLCOTT, INDIANA

By: _____
Christina M. Orns, Town Council President

[SEAL]

Attest:

Tammy L. Seward, Clerk-Treasurer

(Form of Registration)

REGISTRATION ENDORSEMENT

This Series 20__[__] Bond can be transferred and registered only at the office of the Clerk-Treasurer of the Town of Wolcott, Indiana. No writing hereon except by the Clerk-Treasurer.

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Employer I.D. # or Social Security #, If applicable</u>	<u>Clerk-Treasurer</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

RECORD OF PAYMENT FOR SERIES 20__[__] BOND

<u>Date of Payment</u>	<u>Amount</u>	<u>Acknowledgment of Receipt by Clerk-Treasurer</u>	<u>Guarantee of Clerk-Treasurer's Signature</u>
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(NOTE: This should be a separate sheet)

PREPAYMENT RECORD

Principal Installments on Which Payments
Have Been Made Prior to Maturity

<u>Date</u>	<u>Principal Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Name of Authorized Official and Title</u>
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(NOTE: This should be a separate sheet)

End of Bond Form

Section 7. Redemption of BANs and Bonds. The BANs are prepayable by the Town, in whole or in part, at any time upon twenty (20) days' notice to the owner of the BANs without any premium. Any one or more installments of principal of fully registered Bonds of this issue shall be redeemable or prepayable at the option of the Town from any funds regardless of source, in whole, or from time to time in part, in any multiple of One Dollar (\$1.00), on any date, at the principal amount thereof and accrued interest to the date fixed for redemption, without any premium. Prepayments of installments of principal of fully registered Bonds shall be made in inverse order of maturities outstanding at the time of prepayment, and in inverse order for Bonds if less than an entire maturity is called. Notice of prepayment of principal on a fully registered Bond shall be given by registered mail at least thirty (30) days prior to the date of such redemption or prepayment to the registered owner at its address as shown on the registration record of the Town. The notice of prepayment shall specify the date and place of prepayment, the dates of maturity of the Bonds subject to prepayment, and identification of installments of principal to be prepaid. The place of prepayment of installments of principal shall be the office of the Clerk-Treasurer of the Town who shall record the prepayments on the Bonds. Interest on the installments of principal to be prepaid shall cease on the date fixed in such notice if sufficient funds are available at the place of prepayment to pay the price on the date so named, including interest to said date. If any fully registered Bond called for prepayment shall not be presented on the date and at the place designated, the Town shall hold in trust in the Town's depository bank sufficient funds to effect such prepayment in full, and thereafter the owner of such Bond shall be entitled to payment only from such trust funds and the prepayment thereof shall be deemed to have been effected and the Bonds no longer outstanding.

Section 8. Security for Bonds. Said Bonds and BANs shall be signed manually or by facsimile in the name of the Town by the President of the Town Council and attested by the Clerk-Treasurer, who shall affix the seal of said Town to each of said Bonds and BANs or cause said seal to be imprinted thereon by any means. Said officials, by the signing of a proper signature identification certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds and BANs.

All Bonds of this issue, and any bonds ranking on a parity therewith, as to both principal and interest shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon all the Net Revenues of the waterworks of the Town. The Town shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 9. Exchange of Bonds. Upon surrender of a fully registered Bond at the office of the Clerk-Treasurer of the Town, or at such other place as may be agreed upon by and between the Town and the registered owner, together with a request for exchange duly executed by the registered owner, or its attorney, in such form as shall be satisfactory to the Town, such Bond may, at the option of the registered owner thereof, and the expense of the Town, be exchanged for a new fully registered Bond or Bonds of such series in an aggregate amount equal to the then unpaid principal amount outstanding and with maturities corresponding to the unpaid principal installments outstanding of the fully registered Bond, in the denomination of One Dollar (\$1.00)

each, or integral multiples thereof, bearing the same rate of interest which interest shall be payable semiannually on January 1 and July 1. Upon the surrender of such fully registered Bond and the filing of a request for exchange, the Town shall execute and deliver such fully registered Bonds in accordance with the request for exchange and in the form substantially as set forth in Section 6 hereof. Said Bonds shall be issued within sixty (60) days from the date of the filing of the request for such exchange. Any fully registered Bond surrendered for exchange shall, upon delivery of the Bonds in exchange therefor, be forthwith cancelled by the Town.

Section 10. Preparation of BANs and Bonds. The Clerk-Treasurer of the Town is hereby authorized and directed to have said Bonds and BANs prepared, and the President of the Town Council and the Clerk-Treasurer of the Town are hereby authorized and directed to execute said Bonds and BANs in the form and manner hereinbefore provided. The Clerk-Treasurer is hereby authorized and directed to deliver said BANs to the purchaser thereof and said Bonds to RD and to receive payment for the BANs in an amount not less than 99.0% of their par value and for the Bond or Bonds in installments at their par value. The Town is authorized to receive payment for the BANs in installments. The principal of and interest on the BANs shall be payable from the proceeds of the Bonds herein authorized. The Bonds herein authorized, when fully paid for and delivered, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues of the waterworks to be set aside into the Waterworks Sinking Fund as herein provided. The proceeds derived from the sale of said Bonds shall be and are hereby set aside for application on the cost of the Project, the refunding of the BANs, if issued, reimbursement to the Town for any expenditures on the Project incurred by the Town prior to the issuance of the Bonds, and the expenses necessarily incurred in connection with the issuance of the Bonds. The proper officers of the Town are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

Section 11. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Waterworks Sinking Fund. The proceeds from the sale of the Bonds, to the extent not used to refund BANs, and the proceeds from the sale of the BANs shall be deposited in a bank or banks which are legally designated depositories for the funds of the Town, in a special account or accounts to be designated as "Town of Wolcott, Indiana, Waterworks Construction Account" (the "Construction Account"). All funds deposited to the credit of said Waterworks Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, capitalized interest on the BANs, if necessary, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Bose McKinney & Evans LLP shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Waterworks Sinking Fund and used

solely for the purposes of said Waterworks Sinking Fund or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

Section 12. Revenues. All revenues derived from the operation of the waterworks and from the collection of water rates and charges shall be segregated and kept separate and apart from all other funds and bank accounts of the Town in a fund hereby created and designated as the “Waterworks Revenue Fund” (the “Revenue Fund”). Out of these 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 registrars or paying agents shall be paid, the hereinafter described Debt Service Reserve Account shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid.

Section 13. Operation and Maintenance Fund. There is hereby created a fund designated as the “Operation and Maintenance Fund” (the “Operation and Maintenance Fund”). On the last day of each calendar month, revenues of the waterworks shall be transferred from the Revenue Fund to the Operation and Maintenance Fund so that the balance maintained in this fund shall be sufficient to pay the expenses of operation, repair and maintenance of the waterworks for the then next succeeding two 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 the Operation and Maintenance Fund shall be used for transfers for payment in lieu of property taxes, depreciation, improvements, extensions or additions. Any moneys in the Operation and Maintenance Fund may be transferred to the Waterworks Sinking Fund, if necessary, to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

Section 14. Waterworks Sinking Fund. There is hereby created a special fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the waterworks, and the payment of any fiscal agency charges in connection with the payment of bonds and interest, which fund shall be designated the “Waterworks Sinking Fund” (the “Sinking Fund”). There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the waterworks to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to their final maturity.

(a) Bond and Interest Account. There is hereby created, within said Sinking Fund, an account designated as the “Bond and Interest Account” (the “Bond and Interest Account”). There shall be credited on the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to at least one-twelfth (1/12) of the principal of and at least one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding principal and interest payment dates until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited. There shall similarly be credited to the Bond and Interest Account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the

same become payable. The Town shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. There is hereby created, within the Sinking Fund, an account designated as the “Debt Service Reserve Account” (the “Reserve Account”). On the date of delivery of the Bonds, the Town may deposit funds on hand, Bond proceeds, or a combination thereof, into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the average annual debt service on the Bonds (the “Reserve Requirement”). If the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within ten (10) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and as protection against default in the payment of principal of and interest on the Bonds and moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds, to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Waterworks Improvement Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds.

Section 15. Waterworks Improvement Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues may be transferred or credited to the fund hereby created and designated as the “Waterworks Improvement Fund” (the “Improvement Fund”). The moneys in the Improvement Fund shall be used for improvements, replacements, additions and extensions of the waterworks, and for payment in lieu of property taxes. The moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund.

Section 16. Maintenance of Accounts; Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Town. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the Town and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC

5-13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance.

Section 17. Maintenance of Books and Records. The Town shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. The fiscal year of the Town shall be January 1 to December 31. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the waterworks prepared by the Indiana State Board of Accounts or any successor body authorized by law to audit municipal accounts. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer of the Town. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports and data of the Town relating to the waterworks. Such inspections may be made by representatives duly authorized by written instrument.

Section 18. Rate Covenant. The Town covenants and agrees that it will establish, maintain and collect reasonable and just rates and charges for facilities and services afforded and rendered by the waterworks, which shall, to the extent permitted by law, produce sufficient revenues at all times to pay all the legal and other necessary expense incident to the operation of such utility, to include maintenance costs, operating charges, upkeep, repairs, interest charges on bonds or other obligations, to provide for the proper operation, repair and maintenance of the waterworks, to comply with and satisfy all covenants contained in this ordinance, to provide the sinking fund and debt service reserve for the liquidation of bonds or other evidences of indebtedness, to provide adequate funds to be used as working capital, as well as funds for making extensions, additions, and replacements, and also, for the payment of any taxes that may be assessed against such utility, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service. So long as any of the Bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by the waterworks system shall be furnished without a reasonable and just charge being made therefore. The Town shall pay like charges for any and all services rendered by said utility to the Town, and all such payments shall be deemed to be revenues of the utility. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, and the requirements of the Sinking Fund.

Section 19. Defeasance of Bonds. So long as RD is the owner of the Bonds, the Bonds will not be defeased without the consent of RD. When RD has provided such consent, or if RD is no longer the owner of the Bonds, and 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 or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the

principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's waterworks.

Section 20. Additional Bond Provisions. The Town reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The Town 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 if necessary to complete the Project. In addition, the Town 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, for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, or to refund obligations, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the Net Revenues of the waterworks shall have been paid to date in accordance with their terms.

(b) The Net Revenues of the waterworks in the fiscal year immediately following the year in which such parity bonds are issued shall be not less than one hundred twenty percent (120%) of the average annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, all showings shall be prepared by a certified public accountant employed by the Town for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on January 1 and July 1 and the principal of, or mandatory sinking fund redemption dates for, the additional parity bonds shall be payable annually on July 1.

Section 21. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the Town in connection with the construction of said Project 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 Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the Town. All estimates for work done or material furnished shall first be checked by the engineers and approved by the Town prior to payment.

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

(d) So long as any of the BANs or Bonds herein authorized are outstanding, the Town shall acquire and maintain insurance coverage on the insurable parts of the waterworks of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used to replace or repair the waterworks, or, if not used for that purpose, shall be deposited in the Sinking Fund.

(e) So long as any of the BANs or Bonds are outstanding, the Town shall not mortgage, pledge or otherwise encumber the waterworks or any part thereof, nor shall it sell, lease or otherwise dispose of any portion except equipment or property which may become worn out, obsolete or no longer suitable for use in the waterworks.

(f) 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 said waterworks shall be authorized, executed, or issued by the Town except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 19 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this ordinance shall constitute a contract by and between the Town and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds or BANs nor shall the Town Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 24(a)-(f), this ordinance may be amended, however, without the consent of BAN or Bond owners, if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds.

(h) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth under Indiana law, including the provisions of the governing Act hereinbefore referred to, in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

Section 22. Investment of Funds. The Clerk-Treasurer is hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this ordinance (subject to applicable

requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. 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 the ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Town as to requirements of federal law to preserve the tax exclusion. The Clerk-Treasurer may pay any such fees as operating expenses of the waterworks.

Section 23. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be (the “Code”) and as an inducement to purchasers of the Bonds and BANs, the Town represents, covenants and agrees that:

(a) The waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the Town or another state or local governmental unit will use more than 10% of the proceeds of the 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 Town or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the Town enters into a management contract for the waterworks with any nongovernmental entity, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the Town) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the 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.

(d) The Town reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The Town will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the Town act in any other manner which would adversely affect such exclusion. The Town covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds or BANs, as the case may be.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

(i) The Town represents that:

(1) The Town is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability that, when collected, may be used for the general purposes of the Town;

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

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

(4) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town and all units subordinate to the Town, including on-behalf-of issuers and subordinate entities as those terms are defined in Treasury Regulations Section 1.148-8(c)(2), is not reasonably expected to exceed Five Million Dollars (\$5,000,000) in calendar year 2017, 2018 or 2019; and

(5) The Town has not been formed or availed of to otherwise avoid the purposes of the Five Million Dollar (\$5,000,000) size limitation.

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

(j) The Town represents that:

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

(2) The Town hereby designates the Bonds and the BANs as qualified tax-exempt obligations for purposes of Section 25(b) of the Code;

(3) The reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Town, and all entities subordinate to the Town during 2012 does not exceed \$10,000,000; and

(4) The Town will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2017, 2018 or 2019.

Therefore, the Bonds and the BANs qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

Section 24. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 21(g), and not otherwise, the owners of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

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

(b) A reduction in the principal amount of any Bond 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 issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement.

If the owners of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Town, no owner of any Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the Town and all owners of Bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the Town and of the owners of the Bonds authorized by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the Bonds issued pursuant to this ordinance then outstanding.

Section 25. Issuance of BANs. The Town, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution, the Indiana Bond Bank or any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (the “Bond Anticipation Note Agreement”) to be entered into between the Town and the purchaser of the BAN or BANs. The Town Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the Town to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The Town Council President and the Clerk-Treasurer are hereby authorized and directed to execute a Bond Anticipation Note Agreement in such form or substance as they shall approve acting upon the advice of counsel. The Town Council President and Clerk-Treasurer of the Town may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 26. Tax Exemption. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the “Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with if the Town receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. At the time of delivery of the Bonds, the Town Council President and Clerk-Treasurer shall execute post-issuance compliance procedures with respect to the Bonds relating to continued compliance of the Town with respect to the Tax Sections to preserve the Tax Exemption.

Section 27. RD Covenants. So long as RD is the owner of any of the Bonds, the Town covenants that in addition to the other covenants, terms and conditions applicable to the Bonds, it will comply with all conditions set forth by RD in the Letter of Conditions, Loan Resolution and any Loan Agreement.

Section 28. Indiana Utility Regulatory Commission. The Town hereby acknowledges and confirms that its waterworks has been removed from the jurisdiction of the Commission for the approval of rates and charges and for financings.

Section 29. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 30. Effective Date. This ordinance shall be in full force and effect from and after its passage.

Adopted this 6th day of February, 2018.

TOWN COUNCIL
TOWN OF WOLCOTT, INDIANA

Christina M. Orns, Council President

Michael A. Yelton, Council Vice-President

Fred A. Young, Council Member

Michael J. Johnson, Council Member

Stephen Schemerhorn, Council Member

Attest:

Tammy L. Seward, Clerk-Treasurer

EXHIBIT A

Description of Project

This Project consist of the planning, designing and construction of a water system improvement project for the Town of Wolcott's water utility as follows:

- A. This project will include the installation of a new "package plant" with new service pumps, a hypochlorite disinfection system, backwash lift station, and force main and standby generator.
- B. This project will also consist of a new standby generator and control panel for the groundwater production wells being installed as well as a replacement of the existing 6-inch transmission main from well pump no. 1, with a new 8-inch main and installation of flushing hydrants in other dead end locations in the Town.
- C. The project shall include looping the northwest portion of the distribution system with 8-inch main and installation of flushing hydrants in other dead end locations as well as replacing any manually read meters with new automatically read flow meters.

The Project shall include all related appurtenances and cost in connection with the above improvements, as more fully described in and shall be in accordance with, the plans and specifications prepared by Commonwealth Engineers, Inc.