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ORDINANCE NO. 2020-20

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF AUBURN, INDIANA, AUTHORIZING THE ISSUANCE OF SEWAGE WORKS REFUNDING AND IMPROVEMENT REVENUE BONDS OF THE CITY OF AUBURN, INDIANA TO PROVIDE FUNDS FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN IMPROVEMENTS TO THE SEWAGE WORKS SYSTEM OF THE CITY, AND THE REFUNDING OF CERTAIN OUTSTANDING BONDS, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SYSTEM, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SUCH REVENUE BONDS AND OTHER MATTERS CONNECTED THEREWITH, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND REPEALING ANY ORDINANCES, OR PARTS THEREOF, IN CONFLICT HEREWITH

SUMMARY

This Ordinance calls for the Common Council of the City of Auburn, Indiana to approve the issuance of Sewage Works Refunding and Improvement Revenue Bonds and notes in anticipation of such bonds for the purpose of providing funds to pay the cost of (i) certain additions, extensions and improvements to the sewage works system of the City (ii) refunding the City's Sewage Works Revenue Bonds of 2009, Series B, and (iii) issuing such bonds.

_____ Recorder's Office	_____ Publish Public Hearing
_____ Auditor's Office	
_____ Clerk's Office	_____ Publish O/R after adoption
_____ Other:	_____

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WHEREAS, the City of Auburn, Indiana (the “City”) has heretofore established, constructed and financed a municipal sewage works system for the collection and treatment of sewage and other wastes (the “System”), pursuant to the provisions of IC 36-9-23, as amended (the “Act”); and

WHEREAS, the Common Council of the City (the “Common Council”) now finds: (i) that the acquisition, construction and installation of certain improvements to the System, including, without limitation, the improvements as set forth on Exhibit A (collectively, the “Project”), are necessary; (ii) that plans, specifications and cost estimates for the Project have been or will be prepared by the engineers employed by the City for the acquisition, construction and installation of the Project, which plans, specifications and cost estimates have been or will be submitted to all government authorities having jurisdiction, and have been or will be approved by the aforesaid government authorities; and

WHEREAS, the City has or will advertise for and receive bids for the construction of the Project, and such bids will be subject to the Common Council’s determination to acquire, construct and install the Project and the City obtaining funds for the Project; and

WHEREAS, the estimated cost of the Project, including incidental expenses, together with the cost of the Refunding (as defined below), is in the amount not to exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000), to be financed by a combination of proceeds from the Bonds (and BANs, if issued), cash on hand, and other legally available sources; and

WHEREAS, pursuant to Amended and Restated Ordinance No. 2009-15, adopted by this Common Council on October 6, 2009, the City has heretofore issued revenue bonds payable from the Net Revenues (as hereinafter defined) of the Sewage Works, designated “City of Auburn, Indiana, Sewage Works Revenue Bonds of 2009, Series B” (the “2009 Bonds”), which 2009 Bonds were issued to the Indiana Finance Authority as part of its wastewater loan program established

and existing currently outstanding in the amount of Ten Million Five Hundred Fifteen Thousand Dollars (\$10,515,000); and

WHEREAS, the Common Council, after consideration of the estimated or known interest payable to the fixed maturities of bonds to refund the 2009 Bonds (the "Refunding"), the interest payable on the 2009 Bonds, the costs of issuance of such refunding bonds, including any sale discount, the redemption premiums, if any, to be paid, and the probable earned income from the investment of the proceeds of such refunding bonds pending redemption of the 2009 Bonds, has determined that a savings to the City will be effected by the Refunding; and

WHEREAS, other than the 2009 Bonds, the City has no sewage works revenue bonds currently outstanding that are payable from the Net Revenues of the Sewage Works: and

WHEREAS, the Common Council finds that the City does not have sufficient funds available to pay all of the cost of the Project and complete the Refunding, and that, therefore, it is necessary for the City to issue its sewage works revenue bonds, in one (1) or more series, in a principal amount not to exceed Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) (the "Bonds") and, if necessary, its bond anticipation notes (the "BANs"); and

WHEREAS, the City seeks to authorize the issuance of the BANs (as hereinafter defined) hereunder, if necessary, payable from the proceeds of the Bonds and to authorize the refunding of the BANs, if issued; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the BANs and the Bonds to provide the necessary funds to be applied to the costs of the Project and the Refunding, and all authorized costs relating thereto, have been complied with in accordance with the provisions of the Act and IC 5-1-5; and

WHEREAS, the City may advance a portion of the costs of the Project prior to the issuance of the BANs or the Bonds, with such advance to be repaid from proceeds of the BANs or the Bonds upon the issuance thereof; and

WHEREAS, Section 1.150-2 of the Treasury Regulations (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the City intends by this Ordinance to qualify amounts advanced by the City to the Project for reimbursement from proceeds of the BANs or the Bonds in accordance with the requirements of the Reimbursement Regulations;

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

Section 1. Authorization of Project. The City shall proceed with the completion of the Project in accordance with the plans, specifications, and cost estimates, two (2) copies of which are now on file or will be subsequently placed on file in the office of the Clerk-Treasurer (the "Clerk-Treasurer"), and which are hereby adopted and approved, and by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein. The Common Council, after consideration of the estimated or known interest payable to the fixed maturities of

the 2009 Bonds, the interest payable on the 2009 Bonds, the costs of issuance of the Bonds, including any sale discount, the redemption premiums, if any, to be paid, and the probable earned income from the investment of the proceeds of the Bonds pending redemption of the 2009 Bonds, hereby determines that a savings to the City will be effected by the refunding of the 2009 Bonds. The aggregate cost of the Project and the Refunding shall not exceed the sum of Sixteen Million Five Hundred Thousand Dollars (\$16,500,000), plus investment earnings on the proceeds of the BANs or Bonds, without further authorization from the Common Council. The term "System," where used in this Ordinance, shall be construed to mean the Sewage Works, and includes the City's existing sewage works 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 is hereby approved and shall be constructed, the Refunding is approved, and the BANs and the Bonds shall be issued pursuant to and in accordance with the Act and IC 5-1-5.

Section 2. Issuance of BANs and Bonds.

(a) The City shall issue, if necessary, the BANs for the purpose of procuring interim financing to pay the cost of the Project and, if deemed appropriate, the costs of issuance of the BANs. The City may issue the BANs in one (1) or more series, in an aggregate principal amount outstanding at any one (1) time not to exceed Two Million Seven Hundred Thirty Thousand Dollars (\$2,730,000) to be designated "Sewage Works Revenue Bond Anticipation Notes, Series 20__," to be completed with the appropriate year of issuance and an alphabetical designation, if necessary. The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of \$100,000 and integral multiples of \$5,000 in excess thereof, or such other denomination as determined by the Clerk-Treasurer with the advice of Baker Tilly Municipal Advisors, LLC, the municipal advisor to the City for financing purposes (the "Municipal Advisor"). The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed five percent (5.0%) per annum (the exact rate or rates to be determined through negotiations with the purchasers of the BANs) payable either upon maturity or semiannually on January 1 and July 1, as designated by the Clerk-Treasurer with the advice of the Municipal Advisor. Each series of 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 five percent (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 years from the date of delivery of the initial BANs. The BANs are subject to renewal or extension at an interest rate or rates to be negotiated with the purchaser of the BANs. The BANs shall be registered in the name of the purchasers thereof.

(b) The BANs shall be issued pursuant to IC 5-1-14-5, as amended, and sold to a financial institution or any other purchaser. The BANs shall be sold at a price not less than ninety-nine and one-half percent (99.5%) of the principal amount thereof. The City shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of the Bonds pursuant to and in the manner prescribed by the Act.

(c) The City shall issue the Bonds in one (1) or more series in an aggregate principal amount not to exceed Fourteen Million Five Hundred Thousand Dollars (\$14,500,000)

to be designated “Sewage Works Refunding and Improvement Revenue Bonds of 20__,” to be completed with the year in which the Bonds are issued and an alphabetical designation, if necessary, for the purpose of procuring funds to pay the cost of the Project and the Refunding, the refunding of the BANs, if issued, and the issuance costs of the Bonds or the BANs, if issued, as determined by the Clerk-Treasurer, with the advice of the Municipal Advisor. The Bonds shall be issued and sold at a price not less than ninety-nine percent (99.0%) of the principal amount thereof. The Bonds shall be sold as provided in Section 9 hereof. The Bonds shall be issued in fully registered form in authorized denominations of \$5,000 or any multiple thereof, or such other denomination as determined by the Clerk-Treasurer with the advice of the Municipal Advisor as evidenced by delivery of a certificate executed by the Clerk-Treasurer in conjunction with the issuance of the Bonds (the “Clerk-Treasurer’s Certificate”). The Bonds shall be lettered and numbered consecutively from R-1 and upward, originally dated as of their date of issuance, and shall bear interest at a rate or rates not exceeding five percent (5%) per annum (the exact rate or rates to be determined by bidding or through negotiation as provided in Section 9 hereof). Interest is payable semiannually on January 1 and July 1 in each year, commencing on the January 1 or July 1 following the issuance of the Bonds, all as determined by the Clerk-Treasurer, with the advice of the Municipal Advisor, and as set forth in the Clerk-Treasurer’s Certificate. The Bonds shall mature or be subject to mandatory sinking fund redemption semiannually on January 1 and July 1 of each year commencing on the January 1 or July 1 following the issuance of the Bonds, over a period ending not later than January 1, 2033, and in such amounts as is deemed appropriate by the Clerk-Treasurer, with the advice of the Municipal Advisor as set forth in the Clerk-Treasurer’s Certificate. The Bonds will be payable solely out of and constitute a first charge against the Net Revenues of the System. For purposes of this ordinance, “Net Revenues” is defined as the gross revenues of the System remaining after the payment of the reasonable expenses of operation, repair and maintenance, excluding transfers for payment in lieu of property taxes.

(d) Interest on the BANs shall be calculated according to a 360-day calendar year, and interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(e) The principal of and interest on the BANs (if interest thereon is payable only at maturity) or the principal of the BANs (if interest thereon is not payable only at maturity) and the principal of the Bonds shall be payable at the principal office of the Paying Agent, and all payments of interest on the BANs (if interest thereon is not payable only at maturity) and the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each interest payment date (“Record Date”), at the addresses of the registered owners as they appear on the registration books (the “Registration Record”) kept by the Registrar (as defined herein). 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. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. All payments on the BANs and the Bonds shall be made in any coin or currency of the United States of America which, on the date of such payment, shall be legal tender for the payment of public and private debts.

(f) Interest on the Bonds, which are authenticated on or before the Record Date that precedes the first interest payment date shall be paid from their original issue date. Interest

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on the Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date, in which case the interest shall be paid from such interest payment date.

(g) Each BAN or Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such BAN or Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered BAN or BANs or 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. The costs of such transfer or exchange shall be borne by the City; provided, however, that the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. 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. Except as otherwise provided in the Continuing Disclosure Agreement described in Section 26, the City, and the Registrar and Paying Agent for the BANs or Bonds, may treat and consider the person in whose name the BANs or the Bonds are registered as the absolute owner thereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal thereof and the premium, if any, and interest due thereon.

(h) In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, 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 Clerk-Treasurer 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 satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar may charge the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, 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 issued hereunder.

Section 3. Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds

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(together with any successor, the “Registrar” or “Paying Agent”). The Registrar is hereby charged with the responsibility of authenticating the Bonds, and shall keep and maintain the Registration Record at its office. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer is further authorized to pay such fees and the institution may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days written notice 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. Such notice to the City may be served personally or sent by first-class or registered mail. The Registrar and Paying Agent may 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 the Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to the 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 Record. Any predecessor Registrar and Paying Agent shall deliver all the Bonds, cash or investments related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent.

Section 4. Redemption of BANs and Bonds.

(a) If deemed appropriate by the Clerk-Treasurer, with the advice of the Municipal Advisor, the BANs shall be prepayable by the City, in whole or in part, on or after the date determined to be most appropriate by the Clerk-Treasurer, with the advice of the Municipal Advisor, upon at least seven (7) days’ notice to the owner of the BANs, without any premium, but with accrued interest to the date of prepayment.

(b) The Bonds are redeemable at the option of the City on thirty (30) days’ notice, in whole or in part, in amounts and maturities determined by the City and by lot within a maturity, at the par amount thereof, together with a premium, if any, not greater than one percent (1%), plus, in each case, accrued interest, if any, to the date fixed for redemption which shall be not earlier than January 1, 2029. The exact redemption dates and premiums shall be established by the Clerk-Treasurer with the advice of the Municipal Advisor and shall be set forth in the Clerk-Treasurer’s Certificate.

(c) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds maturing on the same date which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be

credited by the Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit such Bonds maturing as term bonds only to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

(d) If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for mandatory sinking fund redemption before selecting the Bonds by lot for optional redemption.

(e) Notice of redemption shall be given not less than thirty (30) days prior to the date fixed for redemption for Bonds that are sold to any other purchaser, unless such redemption notice is waived by the owner of the Bond or Bonds to be redeemed, 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 any proceedings for the redemption of any other Bonds. Such notice shall be mailed to the address of the registered owner as shown on the Registration Record as of the date which is forty-five (45) days prior to such redemption date for Bonds that are sold to any other purchaser. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

(f) All Bonds which have been redeemed shall be canceled and shall not be reissued; 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

(g) No later than the date fixed for redemption, funds shall be deposited with the Paying Agent or another paying agent to pay, and such agent is hereby authorized and directed to apply such funds to the payment of, the Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date.

Section 5. Execution and Authentication of the BANs and the Bonds; Pledge of Net Revenues to the Bonds. The BANs and the Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of the City to each of the BANs and the Bonds manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their signatures appearing on the BANs and the Bonds. The BANs and the Bonds must be authenticated by an authorized officer of the Registrar. The Bonds

and any additional bonds issued on a parity with the Bonds in accordance with the restrictions imposed by this Ordinance (the “Parity Bonds”), as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the System. The City shall not be obligated to pay the principal of and interest on the Bonds except from the Net Revenues of the System (except to the extent payable from the proceeds of the Bonds), 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.

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

Section 7. Authorization for Book-Entry System. The Bonds may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the “Clearing Agency”), without physical distribution of bonds to the purchasers. The following provisions of this Section apply in such event.

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

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond 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 for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such Bond, 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, 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 of or interest or premium, if any, on any Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Bond called for partial redemption, if any, prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds, or the City elects to discontinue its use of such

Clearing Agency as a Clearing Agency for the Bonds, 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, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the City.

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

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Clerk-Treasurer and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Bonds are held in book-entry form, the provisions of this Section 7 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

Section 8. Preparation and Sale of BANs and Bonds. The Clerk-Treasurer is hereby authorized and directed to have the BANs and the Bonds prepared, and the Mayor and the Clerk-Treasurer are hereby authorized and directed to execute the BANs and the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the BANs and the Bonds to the purchasers thereof after the sale made in accordance with the provisions of this Ordinance, provided that at the time of such delivery, the Clerk-Treasurer shall collect the full amount which the purchasers have agreed to pay therefor, which amount shall not be less than the applicable minimum percentage of the par value of the BANs or the Bonds set forth in Section 2 of this Ordinance. The Bonds, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the System to be set aside into the Sinking Fund as provided herein. The proceeds derived from the sale of the BANs and the Bonds shall be and are hereby set aside to pay the costs of the Project and the Refunding, the refunding of the BANs, if applicable, and the expenses necessarily incurred in connection with the issuance of the BANs and the Bonds. The proper officers of the City 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 9. Issuance, Sale and Delivery of the Bonds.

(a) The Mayor and Clerk-Treasurer are authorized to provide for the sale of the Bonds either through a competitive bid sale or by a negotiated sale based upon the advice provided by the Municipal Advisor with such determination to be set forth in the Clerk-Treasurer's Certificate.

(b) If any of the Bonds are sold by competitive bid, the Clerk-Treasurer shall cause to be published either (i) a notice of such sale two (2) times, at least one (1) week apart, with the first publication made at least fifteen (15) days before the date of such sale and the second publication at least three (3) days before the date of the sale in accordance with Indiana Code 5-3-1-2 in one (1) newspaper, as defined in and in accordance with Indiana Code 5-3-1-4 or (ii) a notice of intent to sell bonds once each week for two (2) weeks in accordance with Indiana Code 5-1-11-2 and Indiana Code 5-3-1-4 and in a newspaper of general circulation published in the State capital, in which case bids may not be received more than ninety (90) days after the first publication. Such notice, or a summary thereof, may also be published in any other publications deemed appropriate in the discretion of the Clerk-Treasurer. The bond sale notice shall state the time and place of sale, the purpose for which the Bonds are being issued, the total amount and maturities thereof, the maximum rate of interest thereon and any limitations as to the number of interest rates and the setting of such rates, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the City shall deem necessary or advisable. Such notice shall provide, among other things, that the successful bidder shall provide to the City a good faith deposit in the form of cash, a certified or cashier's check payable to the order of the City, or wire transfer (as instructed by the City) (the "Deposit") in an amount of one percent (1.0%) of the par amount of the Bonds being sold to guarantee performance on the part of said bidder. The successful bidder shall be required to submit to the City the Deposit not later than 3:30 p.m. (local time) on the next business day following the award. In the event that 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 sale, then such Deposit 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 shall be sealed and shall be presented to the Clerk-Treasurer or her designee at the physical or electronic address identified in the notice. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5.00%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20), or one-hundredth (1/100) of one percent. Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate. The Bonds shall be awarded by the Clerk-Treasurer to the best bidder who has submitted a bid in accordance with the terms of this Ordinance and the notice of sale. The best bidder will be the bidder who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds being sold from the date thereof to their respective maturities and deducting therefrom the premium bid, if any. No bid for less than the minimum percentage of the principal amount of the Bonds set forth in Section 2 hereof, plus accrued interest to the date of delivery, if any, shall be considered. The City shall have the right to reject any and all bids. In the event an acceptable bid is not received on

the date fixed in the notice, the Clerk-Treasurer shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without readvertising. During the continuation of the sale, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time originally fixed for the sale of the Bonds in the bond sale notice.

(c) As an alternative to a competitive bid sale, the Clerk-Treasurer is authorized to negotiate the sale of any of the Bonds at an interest rate or rates not exceeding five percent (5.00%) per annum. The Mayor and the Clerk-Treasurer are hereby authorized to (i) execute and attest, respectively, a purchase agreement with the purchaser, and (ii) sell such Bonds upon such terms as are acceptable to the Mayor and the Clerk-Treasurer consistent with the terms of this Ordinance. The final form of the purchase contract shall be determined by the Mayor and Clerk-Treasurer, upon advice of the City's bond counsel and Municipal Advisor and the Mayor and the Clerk-Treasurer are hereby authorized and directed to complete, execute and attest the same on behalf of the City so long as its provisions are consistent with this Ordinance.

(d) The Clerk-Treasurer is hereby authorized to appoint one or more financial institutions to serve as Escrow Agent (each an "Escrow Agent") for the 2009 Bonds in accordance with the terms of one or more escrow agreements to be entered into between the City and the Escrow Agent (collectively, the "Escrow Agreement"). The Mayor and the Clerk-Treasurer are hereby authorized and directed to complete, execute and attest the same on behalf of the City so long as its provisions are consistent with this Ordinance.

(e) The execution, by either the Mayor, Clerk-Treasurer, or the purchaser of the 2009 Bonds, of a subscription for investments of proceeds of the Bonds to be held under the Escrow Agreement in a manner consistent with this Ordinance is hereby approved.

(f) Distribution of an Official Statement (Preliminary and Final), if necessary, when and if prepared by the Municipal Advisor, on behalf of the City, is hereby authorized and approved, and the Mayor is authorized and directed to execute the Official Statement on behalf of the City in a form consistent with this Ordinance. The Mayor or the Clerk-Treasurer is authorized to deem the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "SEC Rule").

(g) The Mayor and the Clerk-Treasurer each are hereby authorized to deem final an official statement or official statements with respect to the Bonds, as of the date of such official statement or official statements, in accordance with the provisions of the SEC Rule, subject to completion as permitted by the SEC Rule, and the City further authorizes the distribution of the deemed final official statement or official statements, and the execution, delivery and distribution of such document or documents as further modified and amended with the approval of the Mayor or the Clerk-Treasurer in the form of a final official statement or official statements.

(h) The Clerk-Treasurer is hereby authorized and directed to obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, and to furnish such opinion to the purchasers of the Bonds or to cause a copy of said legal opinion to be printed on each Bond. The cost of such opinion shall be paid out of the proceeds of the Bonds.

(i) In connection with the sale of the Bonds, the Mayor and the Clerk-Treasurer each are authorized to take such actions and to execute and deliver such agreements and instruments as they deem advisable to obtain a rating and/or to obtain bond insurance or a Credit Facility (as defined herein) for the Bonds, and the taking of such actions and the execution and delivery of such agreements and instruments are hereby approved. The costs of obtaining any such insurance, Credit Facility, and/or credit ratings 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 issuance of the Bonds and shall be paid out of the proceeds of the sale of the Bonds.

Section 10. Use of Proceeds.

(a) The accrued interest, if any, received at the time of the delivery of the Bonds shall be deposited in the Principal and Interest Account. A portion of the remaining proceeds from the sale of the Bonds and the BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Auburn, 2021 Sewage Works Construction Account" (the "Construction Account"). All funds deposited to the credit of the Sinking Fund or the Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State 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 costs of issuance of the BANs or the Bonds, the cost of the Project, refunding all or a portion of the BANs, if issued, or as otherwise required by the Act. The cost of obtaining the legal services of Bond Counsel shall be considered a part of the costs of issuance of the BANs and the Bonds.

(b) The City hereby declares that it reasonably expects to reimburse the City's advances to the Project from proceeds of the BANs or the Bonds, as anticipated by this Ordinance.

(c) 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 Project, shall either (1) be paid into the Principal and Interest Account and used solely for the purpose of paying the interest on the BANs or the Bonds when due until depleted or (2) be used for the same purpose or type of project for which the BANs or the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

(d) A portion of the proceeds from the sale of the Bonds shall be deposited into an account hereby created and designated as the "City of Auburn, 2020 Sewage Works Redemption Account" and shall be applied to the retirement of the 2009 Bonds as soon as practicably possible. The City may engage the services of an escrow agent for purposes of providing for the retirement of the 2009 Bonds. Pursuant to the Act, the owners of the Bonds shall be entitled to a lien on the proceeds of the Bonds, until such proceeds are applied as required by this Ordinance and by Indiana law.

Section 11. Revenues. All income and revenues of the System shall be deposited upon receipt in the Revenue Fund, which is hereby created (the "Revenue Fund"). The Revenue Fund shall be maintained separate and apart from all other funds and accounts of the City. All monies

deposited in the Revenue Fund may be invested in accordance with IC 5-13-9, as amended, and other applicable laws. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the system shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided.

Section 12. Operation and Maintenance Fund. There shall be transferred from the Revenue Fund and credited to the Operation and Maintenance Fund, which is hereby created (the "Operation and Maintenance Fund"), on or before the last day of each calendar month a sufficient amount of the revenues of the System so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the System for the then next succeeding two (2) calendar months. The monies 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 System on a day-to-day basis, but none of the monies in the Operation and Maintenance Fund may be used for transfers for payment in lieu of property taxes, depreciation, improvements, extensions or additions. Any monies in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sinking Fund if necessary to prevent a default in the payment of the principal of or interest on the Bonds and any Parity Bonds.

Section 13. Sinking Fund.

(a) General. After meeting the requirements of the Operation and Maintenance Fund set forth above, there shall be set aside and deposited in the Sinking Fund, which is hereby created (the "Sinking Fund"), as available, and as provided below, a sufficient amount of the Net Revenues of the System to meet the requirements of the Principal and Interest Account (the "Principal and Interest Account") and the Debt Service Reserve Account (the "Reserve Account"), each of which is hereby created. Such payments shall continue until the balance in the Principal and Interest Account, plus the balance in the Reserve Account, equals the amount necessary to redeem all of the Bonds.

(b) Principal and Interest Account. There shall be transferred, on or before the last day of each calendar month, from the Revenue Fund and credited to the Principal and Interest Account an amount equal to one-sixth (1/6) of the principal and at least one-sixth (1/6) of the interest on all then outstanding bonds payable from Net Revenues on the next succeeding principal and interest payment dates, until the amount so credited shall equal the principal and interest payable during the next succeeding six (6) calendar months. There shall similarly be credited to the account any amount necessary to pay when due the bank fiscal agency charges for paying principal of and interest on the bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Principal and Interest Account, remit promptly to the bank fiscal agency sufficient monies to pay the principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. There is hereby created a Debt Service Reserve Account designated as the "Reserve Account."

(1) On the date of delivery of the Bonds, the City may deposit Bond proceeds, funds on hand or a combination thereof, into the Reserve Account. The balance to be maintained in the Reserve Account shall equal the least of (i) the maximum annual principal and interest payments on the Bonds; (ii) 10% of the par amount of the Bonds; or (iii) 125% of the average annual principal and interest on the Bonds (the "Reserve Requirement"). If the initial deposit into the Reserve Account does not equal the Reserve Requirement or if no deposit is made, then, after meeting the requirements of the Principal and Interest Account set forth above and beginning with the first full calendar month after the date of issuance of the Bonds, the City shall transfer from the Revenue Fund on or before the last day of each calendar month and deposit an amount of Net Revenues in the Reserve Account until the balance therein equals the Reserve Requirement. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

(2) The Reserve Account shall constitute a margin for safety and a protection against default in the payment of the principal of, premium, if any, and interest on the Bonds, and the monies in the Reserve Account shall be used to pay the principal of and interest on the Bonds to the extent that monies in the Principal 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 after the required deposits into the Principal and Interest Account. In the event monies in the Reserve Account are transferred to the Principal and Interest Account to pay the principal of and interest on the Bonds, then that depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the required deposits into the Principal and Interest Account. Investments in the Reserve Account shall be valued at least annually at their fair market value and marked to market. If, after such valuation, it is determined that the amount on deposit in the Reserve Account is in excess of the Reserve Requirement, such excess shall either be transferred to the Sewage Works Improvement Fund (described herein), or be used for the purchase of Bonds or installments of principal of Bonds at a price not exceeding par and accrued interest.

(3) The City may fund all or part of the Reserve Account with a Credit Facility (as defined in the next sentence), provided that such deposit does not adversely affect any then-existing rating on the Bonds or Parity Bonds. A "Credit Facility" is hereby defined as a letter of credit, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the City, for the purpose of satisfying in whole or in part the City's obligation to maintain the Reserve Requirement. As long as any such Credit Facility is in full force and effect, any valuation of the Reserve Account shall treat the maximum amount available under such Credit Facility as its value. To the extent that any Bonds are insured, and such Credit Facility is not being provided by the insurer of such Bonds, such Credit Facility shall be subject to the insurer's prior written consent. The Mayor and the Clerk-Treasurer are hereby authorized to obtain such a Credit Facility for the Bonds and are authorized to enter into any agreements with such Credit Facility provider that they deem necessary with the advice of the Municipal Advisor.

(4) Prior to applying any funds held in the Reserve Account securing any obligations payable out of the Net Revenues to the payment of such obligation, the City shall

cause all funds held in the Sinking Fund (or any like fund or account from which debt service has been structured to be paid) to be applied in full before the Reserve Account is so applied.

Section 14. Sewage Works Improvement Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund set forth above, the City shall transfer to the Sewage Works Improvement Fund which is hereby created (the "Improvement Fund") from the Revenue Fund on or before the last day of each calendar month a sufficient amount of Net Revenues to be used for improvements to, replacements of, additions to and extensions of the System. Monies in the Improvement Fund shall be transferred to the Principal and Interest Account if and to the extent necessary to prevent a default in the payment of the principal of, premium, if any, or interest on any Bond payable from Net Revenues, or, if necessary, to eliminate any deficiencies in the deposits or the minimum balance in the Reserve Account as required by Section 13(c) of this Ordinance. At any other time, monies in the Improvement Fund may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the System. Monies in the Improvement Fund may be transferred for payment in lieu of property taxes.

Section 15. Maintenance of Accounts: Investments. The Sinking Fund shall be maintained as a separate account or accounts from all other accounts of the City. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account or separate accounts, but such account or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All monies deposited in the Funds and Accounts created by this Ordinance shall be deposited, held and secured as public funds in accordance with the public depository laws of the State; provided that monies therein may be invested in obligations in accordance with applicable laws, including 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. 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.

Section 16. Maintenance of Books and Records. 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 showing all revenues collected from the System, all disbursements made on account of the System and all other transactions relating to the System. There shall be furnished, upon written request, to any owner of the Bonds, the most recent copy of the audited financial statements of the system prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer.

Section 17. Rate Covenant. The City covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the 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 System, or that in any way uses or is served by the System, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the City) to provide for the proper Operation and Maintenance of the System, to comply with and satisfy all covenants contained in this Ordinance and to pay all obligations of

the System and of the City with respect to the System. The rates and charges shall be established, to the extent permitted by law, to produce Net Revenues sufficient to pay the annual debt service on the Bonds. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of Operation and Maintenance of the System and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of the System by and service rendered to the City and shall be paid by the City as the charges accrue. The City shall not permit any person or entity to use the System without paying for such use of the System.

Section 18. Defeasance of Bonds. If any of the Bonds 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, the premium, if any, and the interest, so due and payable upon all of the Bonds or any designated portion thereof then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations 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 of such Bonds; then and in that case, such Bonds shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the System.

Section 19. Additional BANs and Bonds. The City reserves the right to authorize and issue additional BANs. The City reserves the right to authorize and issue Parity Bonds for the purpose of financing the cost of future additions to, extensions of and improvements to the System, or to refund obligations, subject to the following conditions:

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

(b) The Net Revenues of the System in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of the then outstanding bonds payable from the Net Revenues and the additional Parity Bonds proposed to be issued; or, prior to the issuance of such Parity Bonds, the sewer rates and charges shall be increased sufficiently so that such increased rates and charges applied to the previous year's operations would have produced Net Revenues for such year equal to not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of the then outstanding bonds payable from the Net Revenues and the additional Parity Bonds proposed to be issued. Notwithstanding the foregoing, in the event the City determines to issue Parity Bonds which will be issued within ninety (90) days of the close of the previous fiscal year, the Net Revenues of the System in the fiscal year immediately preceding the fiscal year just ended shall be considered for determining if the 125% requirement described above is satisfied. For purposes of this subsection, the records of the System shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose.

First Reading: 12/01/2020
Second Reading: 12/15/2020

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

Section 20. Further Covenants. For the purpose of further safeguarding the interests of the owners of the BANs and the Bonds, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of the Project shall be let after due advertisement as required by the laws of the State, 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 such 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 in the case of public contracts and shall be governed in all respects by the laws of the State relating to public contracts.

(b) The Project shall be constructed under the supervision and subject to the approval of the engineer as so designated by the City. All estimates for work done or material furnished shall first be checked by said engineer and approved by the City.

(c) So long as any of the BANs or the Bonds are outstanding, the City shall at all times maintain the System 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 the Bonds are outstanding, the City shall acquire and maintain fidelity bonds on all elected officials with fiscal responsibilities and powers as well as insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations 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. All insurance proceeds or condemnation proceeds shall be used in replacing or restoring the System or may be deposited in the Sinking Fund.

(e) So long as any of the BANs or the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of the System, or any portion thereof, or any interest therein. The City shall not sell, lease or otherwise dispose of any part of the System, except for such machinery, equipment or other property as may be replaced or shall no longer be necessary for use in connection with the System.

(f) Except as otherwise specifically provided in Section 17 hereof, so long as any of the BANs or the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the System shall be authorized, executed, or issued by the City, except those as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless the BANs and the Bonds are redeemed or defeased pursuant to Section 18 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 City and the owners of the BANs and the Bonds, all the terms of which shall be enforceable by any holder of the BANs or the Bonds by any and all appropriate proceedings in law or in equity.

After the issuance of the BANs or the Bonds, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the BANs or the Bonds, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the BANs or the Bonds remain outstanding. Except for the changes set forth in Section 23(a)(1)-(7) of this Ordinance, this Ordinance may be amended, however, without the consent of the BAN or the Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the rights of any of the owners of the BANs or the Bonds.

(h) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the BANs and the Bonds for the uses and purposes set forth herein, and the owners of the BANs and the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and the 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 or the Improvement Fund for the uses and purposes of such Funds as set forth in this Ordinance. The owners of the BANs and the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer the System, in the event of default in the payment of the principal of or interest on any of the Bonds. Upon the appointment of such receiver, the receiver may: (i) charge and collect rates sufficient to provide for the payment of the expenses of the operation, repair and maintenance of the System; (ii) pay the interest on the BANs or the principal of, premium, if any, and interest on any bonds payable from Net Revenues; and (iii) apply the revenues of the System in conformity with the Act and this Ordinance. In addition, any owner of the BANs and the Bonds may, by civil action, protect and enforce rights granted by the Act or under this Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

(i) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the City derived from any source other than the proceeds of the BANs, the Bonds or the operations of the System.

Section 21. Investment of Funds.

(a) The Clerk-Treasurer is hereby authorized pursuant to IC 5-1-14-3, as amended, to invest monies pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to insure the yields on such investments are equal to the then current market rates) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the BANs or the Bonds under federal law.

(b) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from monies held in the Funds and Accounts created by this Ordinance. 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 City as to requirements of federal law to preserve the tax exclusion described above. The Clerk-Treasurer may pay the fees of such consultants or attorneys as operation expenses of the System.

Section 22. Tax Covenants. This section only applies to any series of Bonds or BANs issued on a tax-exempt basis for federal income tax purposes. In order to preserve the exclusion of interest on the BANs and the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the BANs or the Bonds, as the case may be (the “Code”), and as an inducement to the purchasers of the BANs and the Bonds, the City represents, covenants and agrees that:

(a) The use of the System will be based upon arrangements providing for use that is available to the general public on the basis of rates that are generally applicable and uniformly applied, and, to the extent so used, such use shall constitute general public use. No person or entity, other than the City or another state or local governmental unit, will use more than ten (10%) of the proceeds of the BANs or the Bonds or the property financed by the BAN or Bond proceeds, other than in a manner constituting general public use. No person or entity, other than the City or another state or local governmental unit, will own property financed by the BAN or Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, management, service or incentive payment contract, 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 general public use, unless such uses in the aggregate relate to no more than ten (10%) of the proceeds of the BANs or the Bonds, as the case may be. If the City enters into a management contract for all or a portion of the System, the terms of the contract will comply with the Treasury Regulations issued by the United States Department of the Treasury (the “Regulations”), so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in the aggregate will not relate to more than ten percent (10%) of the proceeds of the BANs or the Bonds.

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

(c) No more than five percent (5%) of the BAN or Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than five percent (5%) of the BAN or Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the BAN or Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the BANs and the Bonds 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 BANs and the Bonds.

(e) No more than five percent (5%) of the proceeds of the BANs or the Bonds will be attributable to private business use as described in paragraph (a) above and private security or payments described in paragraph (b) above 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 issues and use that is related but disproportionate to any governmental use of those proceeds.

(f) The City will not take any action nor fail to take any action with respect to the BANs or the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the BANs or the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion.

(g) It shall not be an event of default under this Ordinance if the interest on any BANs or Bonds 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 BANs or the Bonds, as the case may be.

(h) The City represents that it will rebate any arbitrage profits to the United States of America to the extent required by the Code and the Regulations.

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

(j) 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 the Bonds from gross income under federal law (the "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 23. Amendments with Consent of Bondholders.

(a) Subject to the terms and provisions contained in this Section, Section 20(i) and Section 24 of this Ordinance, 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 then outstanding shall have the right, from time to time, to consent to and approve the adoption by the Common Council of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the Common Council 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 any supplemental ordinance; provided, further, that nothing herein contained shall permit or be construed as permitting:

(1) An extension of the maturity of the principal of or the due date of interest on any BAN or Bond; or

(2) A reduction in the principal amount of any BAN or Bond or the redemption premium or the rate of interest thereon; or

(3) The creation of a lien upon or a pledge of the revenues or Net Revenues of the System ranking prior to the pledge thereof created by this Ordinance; or

(4) A preference or priority of any BAN or BANs over any other BAN or BANs or of any Bond or Bonds over any other Bond or Bonds; or

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

(6) A reduction in the Reserve Requirement; or

(7) The extension of mandatory sinking fund redemption dates for the Bonds, if any.

(b) If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer, no owner of any Bond 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 Common Council 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 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 the owners of the Bonds, 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 City and the owners of all the Bonds then outstanding.

Section 24. Amendments Without Consent of Bondholders. The Common Council may, from time to time and at any time, and without notice to or consent of the owners of the Bonds, adopt such ordinances supplemental hereto or amendatory hereof, as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances or amendatory ordinances shall thereafter form a part hereof):

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance;

(b) To grant to or confer upon the owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds;

(c) To procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance or amendatory ordinance, if such supplemental ordinance or amendatory ordinance will not adversely affect the owners of the Bonds;

- (d) To obtain or maintain bond insurance with respect to the Bonds;
- (e) To provide for the refunding or advance refunding of the Bonds;
- (f) To provide for the issuance of additional bonds as provided in this Ordinance; or
- (g) To make any other change which, in the determination of the Common Council in its sole discretion, is not to the prejudice of the owners of the Bonds.

Section 25. Issuance of BANs.

(a) The City, having satisfied all the statutory requirements for the issuance of the Bonds, may elect to issue the BAN or BANs to a financial institution, or any other purchaser (if then authorized by State law), pursuant to a Bond Anticipation Note Purchase Agreement (the "Bond Anticipation Note Agreement") to be entered into between the City and the purchaser of the BAN or BANs, but only if such Agreement is deemed necessary by Bond Counsel. The Common Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing the Bonds to provide interim financing for the Project until permanent financing becomes available and, if deemed appropriate, to refund such BAN or BANs and to pay the costs of issuance of the BANs. It shall not be necessary for the City to repeat the procedures for the issuance of the Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.

(b) The Mayor and the Clerk-Treasurer are hereby authorized and directed to execute a Bond Anticipation Note Agreement, if any (and any amendments made from time to time) in such form or substance as they shall approve, acting upon the advice of Bond Counsel. The Mayor and the Clerk-Treasurer may take such other actions or execute and deliver such 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 any one of them deem necessary or desirable in connection therewith.

Section 26. Continuing Disclosure. If necessary in order for the purchaser of the BANs or the Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the Mayor and the Clerk-Treasurer are hereby authorized to execute and deliver, in the name and on behalf of the City, (i) an agreement by the City to comply with the requirements for a continuing disclosure undertaking of the City pursuant to subsection (b)(5) or (d)(2) of the Rule, and (ii) amendments to such agreement from time to time in accordance with the terms of such agreement (the agreement and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Agreement"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The remedies for any failure of the City to comply with and carry out the provisions of the Continuing Disclosure Agreement shall be as set forth therein.

First Reading: 12/01/2020
Second Reading: 12/15/2020

Section 27. Bond Insurance and Rating. In connection with the sale of the Bonds, the Clerk-Treasurer, with the advice of the Municipal Advisor, is authorized to take such actions and to execute and deliver such agreements and instruments as the Clerk-Treasurer deems advisable to obtain a rating and/or to obtain bond insurance for the Bonds, and the taking of such actions and the execution and delivery of such agreements and instruments are hereby approved.

Section 28. Conflicting Ordinances. All prior ordinances and parts of prior ordinances, insofar as they are in conflict herewith, are hereby repealed.

Section 29. Effective Date. This Ordinance shall be in full force and effect from and after its passage and compliance with the procedures required by applicable law.

First Reading: 12/01/2020
Second Reading: 12/15/2020

PASSED AND ADOPTED by the Common Council of the City of Auburn, Indiana this
15 day of December, 2020.



JAMES FINCHUM, Councilmember

ATTEST:



Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this 15 day of
December, 2020.



PATRICIA MILLER, Clerk-Treasurer

APPROVED AND SIGNED by me this 15 day of December, 2020.



MICHAEL D. LEY, Mayor

1st Reading: _____
2nd Reading: _____

VOTING:

AYE

NAY

James Finchum



Mike Watson



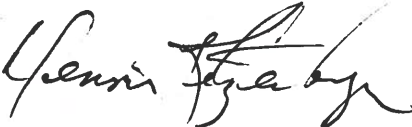
Dennis K. Kruse II



Natalie DeWitt



Dennis Ketzenberger



Kevin Webb



Michael Walter



SCHEDULE OF EXHIBITS

EXHIBIT A - Project Description

EXHIBIT B - Form of Bond

EXHIBIT A

PROJECT DESCRIPTION

The Project includes the installation of inline storage at Twin Cell Lift Station-Eckhart Park that will add approximately 250,000 gallons of inline storage via underground piping. The Project also includes replacing an old belt press with a bio-solids centrifuge for sludge hauling as well as a vactor replacement.

EXHIBIT B

FORM OF BOND
(Attached)

No. R-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF DEKALB

CITY OF AUBURN

SEWAGE WORKS REFUNDING AND IMPROVEMENT REVENUE BOND OF 20__

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP No.</u>
_____%	_____, 20__	_____, 20__	_____, 20__	

REGISTERED OWNER:

PRINCIPAL SUM: _____ Dollars (\$_____)

The City of Auburn (the "City"), in DeKalb County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum specified above on the Maturity Date set forth above (unless this Bond is subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond, unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before July 15, 2021, in which case it shall bear interest from the Original Date, which interest is payable semiannually on the first days of January and July of each year, beginning on July 1, 2021. Interest shall be calculated according to a 365-day calendar year containing twelve 30-day months.

The principal of and premium, if any, on this bond are payable at the principal office of _____ in the ____ of _____, Indiana, acting as registrar and paying agent, or of any successor registrar and paying agent appointed under the Ordinance defined and described herein (the "Registrar" and the Paying Agent"). Interest hereon will be paid by cash or draft mailed or delivered to the Registered Owner hereof at the address as it appears on the registration books of the Registrar as of the 15th 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 made to a clearing agency, 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.

This Bond shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State, and the City shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues (herein defined as the gross revenues of the System (herein defined as the City's sewage works system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired) remaining after the payment of the reasonable expense of operation, repair and maintenance of the System).

This Bond is one (1) of an authorized series of Bonds of like tenor and effect, except as to numbering, interest rates per annum and dates of maturity, in the total amount of _____ Dollars (\$ _____) lettered and numbered consecutively from R-1 and upward, issued for the purpose of providing funds to pay the cost of the acquisition of, and the construction and installation of certain improvements to, the System, including, without limitation, the acquisition and installation of necessary equipment therefor and the making of other site improvements related thereto all as described in the Ordinance, [to refund interim notes issued in anticipation of the Bonds (the "BANs")], to currently refund the 2009 Bonds (as defined in the Ordinance), and to pay the costs of issuance of the Bonds [and the BANs], as authorized by an Ordinance adopted by the Common Council on _____, 2020, entitled "AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF AUBURN, INDIANA, AUTHORIZING THE ISSUANCE OF SEWAGE WORKS REFUNDING AND IMPROVEMENT REVENUE BONDS OF THE CITY OF AUBURN, INDIANA TO PROVIDE FUNDS FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN IMPROVEMENTS TO THE SEWAGE WORKS SYSTEM OF THE CITY, AND THE REFUNDING OF CERTAIN OUTSTANDING BONDS, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SYSTEM, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SUCH REVENUE BONDS AND OTHER MATTERS CONNECTED THEREWITH, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND REPEALING ANY ORDINANCES, OR PARTS THEREOF, IN CONFLICT HEREWITH" (the "Ordinance"), and in strict compliance with the provisions of IC 36-9-23 and IC 5-1-5, as in effect on the issue date of this Bond (collectively, the "Act"). Capitalized terms not otherwise defined herein have the same meanings as ascribed to them in the Ordinance.

Pursuant to the provisions of the Ordinance and the Act, the principal of and interest on this Bond, and any bonds hereafter issued ranking on a parity therewith (collectively, the "Bonds"), are payable solely from the Sewage works Sinking Fund created by the Ordinance (the "Sinking Fund") to be funded from the Net Revenues of the System, except to the extent payable from the proceeds of the Bonds.

The City irrevocably pledges the entire Net Revenues of the System to the prompt payment of the principal of and interest on the Bonds and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by the System as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance Operation and Maintenance of the System and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. The City has covenanted to maintain rates and charges, to the extent permitted by law, to produce Net Revenues sufficient to

pay the maximum annual debt service on the Bonds. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or charges, or if there shall be a default in the payment of the principal of or interest on the Bonds when due, the owner of this Bond shall have all of the rights and remedies provided for in the Act and the Ordinance, including the right to have a receiver appointed to administer the System (but only in the event of a default in the payment of the principal of or the interest on the Bonds when due), and, by civil action, to protect and enforce rights granted by the Act or under the Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

The City further covenants that it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues to pay: (a) the principal of and interest on all Bonds, as such principal and interest shall come due; (b) the necessary fiscal agency charges for paying the principal of and interest on the Bonds; and (c) an additional amount to create and maintain the debt service reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the System.

The Bonds maturing on and after [____ 1, 20__], are redeemable at the option of the City on [____ 1, 20__], or any date thereafter, on thirty (30) days' notice, in whole or in part, in amounts and maturities and by lot within a maturity, at face value, plus accrued interest to the date fixed for redemption and without premium.

[The Bonds maturing on _____ 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 in the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*

*Final Maturity.]

[In the event the Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for mandatory sinking fund redemption before selecting the Bonds by lot for optional redemption.]

Notice of redemption shall be mailed to the address of the Registered Owner as shown on the registration record of the City, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption, 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 date and place of redemption and sufficient identification (and in case of partial redemption, the respective principal amounts) of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

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 Resolution 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 Sewage Works.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, and the City shall have deposited in trust with the Paying Agent its depository bank, an amount sufficient to pay this Bond or the redemption price, as the case may be, then the Registered Owner shall thereafter look only to the funds so deposited in trust with the Paying Agent such depository bank for payment and the City shall have no further obligation or liability with respect thereto.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the Registered Owner hereof in person, or by its 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 its attorney duly authorized in writing, and thereupon a 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 to the Registered Owner, as the case may be, in exchange therefor. [Except as otherwise provided in the Disclosure Agreement described below, the] [The] City, the Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof, premium, if any, and interest due hereon.

The Bonds maturing in any one (1) year are issuable only in fully registered form in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

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

[A Continuing Disclosure Agreement dated as of the Original Issue Date (the “Disclosure Agreement”) has been executed by the City for the benefit of each registered or beneficial owner of any Bond. A copy of the Disclosure Agreement is available from the City and its terms are incorporated herein by reference. The Disclosure Agreement contains certain covenants of the City to each registered or beneficial owner of any Bond, including a covenant to provide continuing disclosure of certain annual financial information and notices of the occurrence of certain events, if material. By its payment for and acceptance of this Bond, the Registered Owner and any beneficial owner of this Bond assents to the Disclosure Agreement and to the exchange of such payment and acceptance for such covenants.]

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

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

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its corporate name and on its behalf by the manual or facsimile signature of its Mayor, have its corporate seal affixed hereunto, imprinted or impressed by any means, and be attested manually or by facsimile by its Clerk-Treasurer.

CITY OF AUBURN, INDIANA

[SEAL]

By: _____
Mayor

Attest:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one (1) of the Bonds described in the Ordinance.

_____,
as Registrar

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	as tenants in common
TEN ENT	as tenants by the entireties
JT TEN	as joint tenants with right of survivorship and not as tenants in common
UNIF TRAN	
MIN ACT	_____ Custodian _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of (State)

Additional abbreviations may also be used although not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name, address and social security or other identifying number of the assignee and insert number for the first named transferee if held by joint account)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as attorney to transfer the within Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

REGISTERED OWNER:

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 whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation or anyone in a representative capacity, proof of authority to act must accompany this assignment.

Signature guaranteed by:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined in SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

DMS 18520956v3