1ST : 11/15 7-0
NO COMMITTEE
2ND WAIVED

ORDINANCE 89-54

AMENDED AND RESTATED
ORDINANCE NO. 89-45

An Ordinance concerning the advance refunding by the City of Bloomington, of its Sewage Works Revenue Bonds of 1955, its Sewage Works Revenue Bonds of 1968, and its Sewage Works Revenue Bonds, Series of 1978; authorizing the issuance of Sewage Works Refunding Revenue Bonds of 1989 for such purpose; providing for the collection, segregation and distribution of the revenues of the sewage works and the safeguarding of the interests of the owners of the Sewage Works Refunding Revenue Bonds of 1989; other matters connected therewith; and repealing ordinances inconsistent herewith

WHEREAS, the City of Bloomington, Indiana (the "City") has heretofore established, constructed and financed a municipal sewage works and now owns and operates the sewage works pursuant to IC 36-9-23, and other applicable laws; and

WHEREAS, the Common Council finds that certain hereinafter described outstanding bonds of the sewage works should be refunded to remove restrictive covenants in the obligations of the sewage works that impede additional financing; that the refunding of those outstanding bonds, together with accrued interest thereon and including all costs related to the refunding to be paid from bond proceeds, will require funds not to exceed $7,750,000; that the cost of the total refunding cannot be provided for out of funds of the sewage works now on hand and the refunding should be accomplished by the use of funds on hand and the issuance of revenue bonds of the sewage works; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the revenues therefrom designated "Sewage Works Revenue Bonds of 1955," dated August 1, 1955 (the "1955 Bonds"), originally issued in the amount of $2,000,000, now outstanding in the amount of $405,000, and maturing semiannually on February 1 and August 1 in the years 1990 to 1994 inclusive, which 1955 Bonds constitute a first charge upon the Net Revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the revenues therefrom designated "Sewage Works Revenue Bonds of 1968," dated July 1, 1968 (the "1968 Bonds"), originally issued in the amount of $5,840,000, now outstanding in the amount of $2,630,000, and maturing semiannually on February 1 and August 1 in the years 1990 to 1998 inclusive, which 1968 Bonds constitute a second charge upon the Net Revenues of the sewage works junior and subordinate to the 1955 Bonds; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the revenue therefrom designated "Sewage Works Revenue Bonds, Series of 1978," dated

April 1, 1978 (the "1978 Bonds"), originally issued in the amount of $4,600,000, now outstanding in the amount of $4,140,000, and maturing semiannually on February 1 and August 1 in the years 1990 to 2005 inclusive, which 1978 Bonds are also junior and subordinate to the 1955 Bonds and constitute a charge upon the Net Revenues of the sewage works on a parity with the 1968 Bonds;

WHEREAS, the Common Council finds that the 1955 Bonds, the 1968 Bonds and the 1978 Bonds (collectively, the "Refunded Bonds") should be refunded pursuant to the provisions of IC 5-1-5 to enable the City to obtain the release of restrictive covenants which are impeding additional financings; and

WHEREAS, the Common Council finds that it is advisable to issue its refunding revenue bonds in an amount not to exceed $7,750,000 and to use the proceeds, together with funds on hand of approximately $246,000, to refund the Refunded Bonds, and to pay for all costs related to the refunding; and

WHEREAS, the Common Council hereby determines to purchase municipal bond insurance (hereinafter, "Surety Bond") for the Debt Service Reserve Account created herein from Municipal Bond Investors Assurance Corporation (the "Insurer") pursuant to the terms of the Financial Guaranty Agreement between the City and the Insurer (the "Financial Guaranty Agreement"); and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds have been complied with in accordance with the provisions of IC 36-9-23 and IC 5-1-5 (collectively, the "Act");

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON THAT:

Sec. 1. Issuance of Refunding Bonds; Redemption of Refunded Bonds. (a) The City, being the owner of and engaged in operating an unencumbered sewage works supplying the City, its inhabitants, and the residents adjacent thereto, with sewage disposal and treatment services, now finds it necessary to provide funds for refunding the Refunded Bonds and relieving itself of restrictive covenants which impede additional financing in accordance with the Act. The refunding will allow the City to reduce the amounts held in the Sewage Works Sinking Fund and for operation, repair and maintenance which, in turn, will release funds to refund the Refunded Bonds and for improvements to the sewage works and for other lawful purposes and will provide for a more efficient flow of funds and application of revenues of the sewage works which will enhance future sewage works financings. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this ordinance shall be construed to mean and include the 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.

(b) The City shall issue its "Sewage Works Refunding Revenue Bonds of 1989" (the "Refunding Bonds") in an aggregate principal amount not to exceed $7,750,000 for the purpose of procuring funds to be applied to the refunding of the Refunded Bonds, the payment of costs of issuance, and all other costs related to the refunding, including the payment of an insurance premium for the purchase of the Surety Bond. The City shall apply moneys currently held for the payment of debt service on the Refunded Bonds to the refunding as provided in Section 7.

The Refunding Bonds shall be issued in the denomination of Five Thousand Dollars ($5,000) each or integral multiples thereof, numbered consecutively from 1 upward, dated as of the first day of the month in which they are sold and interest shall be payable semiannually on January 1 and July 1 in each year, beginning on January 1, 1990. The Refunding Bonds shall be sold at a price of not less than 97% of the par value thereof. The Refunding Bonds shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Refunding Bonds shall bear interest at a rate or rates not exceeding 8½% per annum and mature annually, semiannually, or by mandatory sinking fund redemption if term bonds are issued, on such dates and in such amounts which will achieve as level debt service as practicable with $5,000 denominations.

Sec. 2. Registrar and Paying Agent. BANK ONE, INDIANAPOLIS, NA, of Indianapolis, Indiana, is hereby appointed to serve as Registrar and Paying Agent for the Refunding Bonds (the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Refunding Bonds and maintaining adequate records, verified by the Insurer, as to the amount available to be drawn at any given time under the Surety Bond and as to the amounts paid and owing to the Insurer under the terms of the Financial Guaranty Agreement. The Assistant Director–Finance of the Utility is hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The Assistant Director–Finance of the Utility is further authorized to pay such fees as the Registrar 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 Refunding Bonds as fiscal agency charges.

The principal of the Refunding Bonds shall be payable at the principal corporate trust office of the Paying Agent. All payments of interest on the Refunding Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners

thereof as the names appear as of the fifteenth day of the month preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. All payments on the Refunding Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts. In the event funds are required from the Insurer under the Surety Bond, the Paying Agent shall deliver a Demand for Payment, as defined in the Surety Bond, at least three days prior to the date on which funds are required.

Each Refunding Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal corporate trust office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Refunding Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Refunding Bond or Refunding Bonds in an authorized 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. The City, Registrar and Paying Agent for the Refunding Bonds may treat and consider the person in whose name such Refunding 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 interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the City and by first class mail to each registered owner of the Refunding Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the City. Any such notice to the City may be served personally or sent by 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 Refunding Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Refunding Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the City, the Assistant Director–Finance of the Utility is authorized and directed to enter into such

agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the bonds. The Assistant Director–Finance of the Utility is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sewage Works Sinking Fund created in Section 13 hereof. Any predecessor registrar and paying agent shall deliver all of the Refunding Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

Interest on the Refunding Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Refunding Bonds unless the Refunding Bonds are authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Refunding Bonds are authenticated on or before December 15, 1989, in which case they shall bear interest from the original date until the principal shall be fully paid.

Sec. 3. Redemption of Refunding Bonds. The Refunding Bonds of this issue maturing after January 1, 1999, are redeemable at the option of the City on January 1, 1999, or any date thereafter, on thirty (30) days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at face value, together with the following premiums:

2% if redeemed on January 1, 1999, or thereafter
on or before December 31, 1999;
1% if redeemed on January 1, 2000, or thereafter
on or before December 31, 2000;
0% if redeemed on January 1, 2001, or thereafter
prior to maturity;

plus accrued interest to the date of redemption. There may be no optional redemption of the Refunding Bonds unless all amounts owed to the Insurer under the terms of the Financial Guaranty Agreement have been paid in full.

If any Refunding Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Refunding Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Refunding Bonds maturing as term bonds 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 Refunding Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at 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 Refunding Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Refunding Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date as stated above.

If less than all of the Refunding Bonds are called for redemption at one time, the Refunding Bonds shall be redeemed in inverse order of maturity and by lot within a maturity. Each Five Thousand Dollars ($5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Refunding Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Refunding Bonds for optional redemption before selecting the Refunding Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of such redemption shall be given at least thirty (30) days prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Refunding Bond. Such notice shall be mailed to the address of the registered owners as shown on the registration records of the City. The notice shall specify the date and place of redemption and sufficient identification of the Refunding Bonds called for redemption. The place of redemption shall be determined by the City. Interest on the Refunding Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the principal office of the Paying Agent to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the Refunding Bonds so called for redemption shall be surrendered for cancellation.

Sec. 4. Execution and Negotiability. Each of the Refunding Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City, countersigned by the Controller, attested by the manual or facsimile signature of its Clerk and the seal of the City shall be affixed, imprinted or impressed to or on each of the Refunding Bonds manually, by facsimile or any other means; and these officials, by the execution of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures the facsimile signatures appearing on the Refunding Bonds. In case any officer whose signature or facsimile signature appears on the Refunding Bonds shall cease to be such officer before the delivery of the Refunding Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

The Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein.

The Refunding Bonds shall also be authenticated by the manual signature of the Registrar and no Refunding Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Sec. 5. Form of Bonds. The form and tenor of the Refunding Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery;

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP

CITY OF BLOOMINGTON
SEWAGE WORKS REFUNDING REVENUE
BOND OF 1989

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Bloomington, in Monroe County, State of Indiana, for value received, hereby promises to pay to the Registered Owner named above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon at the Interest Rate per annum stated 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 December 15, 1989, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on the first days of January and July in each year, beginning on January 1, 1990.

The principal of this bond is payable at the principal office of BANK ONE, INDIANAPOLIS, NA (the "Registrar" or "Paying Agent"), in the City of Indianapolis, Indiana. All payments of interest on this bond shall be paid by check, mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on the bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

THE CITY SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS A PART SHALL IN ANY RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE CITY WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in 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 of Bloomington, in Monroe County, Indiana, has caused this bond to be executed in its corporate name by the manual

or facsimile signature of its Mayor, countersigned by the manual or facsimile signature of its Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk.

CITY OF BLOOMINGTON, INDIANA

By_____
Mayor

COUNTERSIGNED:

By_____
Controller

[SEAL]

Attest:

_____
Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Ordinance.

BANK ONE, INDIANAPOLIS, NA,
as Registrar

By_____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the City of Bloomington, of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating Six Million Eight Hundred Ninety Thousand Dollars ($6,890,000); numbered consecutively from 1; issued for the purpose of advance refunding and economically defeasing certain Refunded Bonds (as defined in the hereinafter defined Ordinance). This bond is issued pursuant to an Ordinance adopted by the Common Council of said City on the _____ day of _____, 1989, as amended, entitled "An Ordinance concerning the advance refunding by the City of Bloomington, Indiana, of its Sewage Works Revenue Bonds of 1955, its Sewage Works Revenue Bonds of 1968, and its Sewage Works Revenue Bonds, Series of 1978; authorizing the issuance of Sewage Works Refunding Revenue Bonds of 1989 for such purpose; providing for the collection, segregation and distribution of the revenues of said sewage works and the safeguarding of the interests of the owners of the Sewage Works Refunding Revenue Bonds of 1989; other matters connected therewith; and repealing ordinances inconsistent herewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana Code 5-1-5 and Indiana Code 36-9-23 (hereinafter collectively, the "Act"), the proceeds of which bonds are to be applied solely to said advance refunding and economic defeasance of the Refunded Bonds, including the incidental expenses incurred in connection therewith.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of said issue and any bonds hereafter issued on a parity therewith are payable solely from the Sewage Works Sinking Fund created by the Ordinance (the "Sinking Fund") to be provided from the Net Revenues (herein defined as the gross revenues of the sewage works of the City remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works now owned or hereafter acquired by the City.

Pursuant to the Ordinance and the Escrow Agreement defined therein, the City of Bloomington has set aside securities (purchased from proceeds of the bonds of this issue and the Issuer's Funds, as defined in the Ordinance) and certain cash in a Trust Account to provide payment of principal of, premium, if any, and interest on the Refunded Bonds by the purchase of obligations of the United States of America.

The City of Bloomington irrevocably pledges the entire Net Revenues of the sewage works to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the utility as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the sewage works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The City of Bloomington further covenants that it will set aside and pay into its Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the Net Revenues of the works for payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety to maintain the debt service reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the sewage works subject to Section 15 of the Ordinance.

The bonds of this issue maturing after January 1, 1999, are redeemable at the option of the City on January 1, 1999, or any date thereafter, on thirty (30) days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at face value, together with the following premiums:

2% if redeemed on January 1, 1999, or thereafter
on or before December 31, 1999;
1% if redeemed on January 1, 2000, or thereafter
on or before December 31, 2000;
0% if redeemed on January 1, 2001, or thereafter
prior to maturity;

plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration records of the City not less than thirty (30) days prior to the date fixed for redemption unless the notice is waived by the registered owner of this bond. 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.

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

This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the principal corporate trust office of the Registrar by the registered owner hereof in person, or by his attorney duly authorized in writing,

upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized 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. The City, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of $5,000 or any integral multiple thereof.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ this bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ _____, attorney, to transfer the within bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

_____	_____
NOTICE: Signature(s) must be guaranteed by a broker-dealer or a commercial bank or trust company.	NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Sec. 6. Authorization for Preparation and Sale of the Refunding Bonds. (a) The Controller is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor, Controller and Clerk are hereby authorized and directed to execute and attest the Refunding Bonds in the form and manner provided herein. The Controller is hereby authorized and directed to deliver the Refunding Bonds to John Nuveen & Co. Incorporated and City Securities Corporation (collectively, the "Underwriter") in accordance with the Purchase Contract (the "Purchase Contract") between the City and the Underwriter. The Mayor and Controller are hereby authorized to execute the Purchase Contract with terms consistent with this ordinance, including a final principal amount, interest rate, maturity schedule and term bond mandatory redemptions, if any.

(b) BANK ONE, INDIANAPOLIS, NA is hereby appointed to serve as escrow trustee ("Escrow Trustee") for the Refunded Bonds in accordance with the terms of the Escrow Agreement, between the City and the Escrow Trustee ("Escrow Agreement"). The substantially final form of Escrow Agreement attached hereto is hereby approved by the Common Council, and the Mayor and the Clerk 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.

(c) The Refunding Bonds when fully paid for and delivered to the Underwriter, shall be the binding special revenue obligations of the City, payable out of the Net Revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works to be set aside into the Sewage Works Sinking Fund created in Section 13 (the "Sinking Fund"). For purposes of the definition of Net Revenues in this ordinance, professional fees incurred as a result of litigation not directly related to the operation of the sewage works shall not be considered operation, repair and maintenance expenses. The proper officers of the City are hereby directed to sell the Refunding Bonds to the Underwriter, 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.

(d) The execution, by either the Mayor, Controller, Clerk or the Underwriter, of a subscription for United States Treasury Obligations -- State and Local Government Series for investments of proceeds of the Refunding Bonds to be held under the Escrow Agreement in a manner consistent with this ordinance is hereby approved.

(e) Distribution of an Official Statement (Preliminary and final) prepared by the Underwriter is hereby ratified and approved and the Mayor, Controller or Clerk are authorized and directed to execute the final Official Statement on behalf of the City in a form consistent with this ordinance.

Sec. 7. Refunding of the Refunded Bonds; Costs of Issuance and Insurance. Concurrently with the delivery of the Refunding Bonds, the Controller shall acquire, with the proceeds of the Refunding Bonds and cash on hand, direct obligations of or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to be used, together with certain cash from the proceeds of the Refunding Bonds and cash on hand as set forth in the Escrow Agreement, to refund and economically defease the Refunded Bonds all as set forth in the Escrow Agreement. In order to refund and economically defease the Refunded Bonds, the Controller shall deposit Government Obligations and certain cash with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide moneys for payment of principal of and interest on the Refunded Bonds until their respective final maturities.

The Controller shall obtain a verification of an independent accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said refunding and economic defeasance.

Costs of issuance of the Refunding Bonds not otherwise paid, shall be paid from the remaining proceeds by the Controller. When all the costs of issuance of the Refunding Bonds have been paid, the Controller shall then transfer any amount then remaining from the proceeds of the Refunding Bonds to the Sinking Fund as herein provided.

The Common Council authorizes the purchase of the Surety Bond for the Refunding Bonds from the Insurer in accordance with the terms of the Financial Guaranty Agreement. The substantially final form of Financial Guaranty Agreement attached hereto is hereby approved by the Common Council, and the Assistant Director–Finance or the Mayor and the Clerk 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. The cost of purchasing the Surety Bond shall be considered as a part of the cost of the advance refunding on account of which the Refunding Bonds are issued, and shall be paid out of the proceeds of the Refunding Bonds or out of other funds of the sewage works system. The Common Council hereby agrees to cause to be paid all amounts owed to the Insurer under the terms of the Financial Guaranty Agreement.

Sec. 8. Accrued Interest. The accrued interest received at the time of delivery of the Refunding Bonds, if any, shall be deposited in the Sinking Fund created in Section 13, to be credited to the Bond and Interest Account of the Sinking Fund.

Sec. 9. Financial Records and Accounts. The City shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the sewage works and all disbursements made therefrom and all transactions relating to the utility. There shall be prepared and furnished to the Underwriter, and upon request to any owner of at least $25,000 in principal amount of the Refunding Bonds, an annual report setting out complete operating, income and financial statements of the utility, in reasonable detail, covering the preceding fiscal year. Such report shall be prepared by the Assistant Director–Finance of the Utility and furnished within one hundred twenty (120) days after the close of each calendar year. There shall also be furnished to the Underwriter, and upon request to any owner of at least $25,000 in principal amount of the Refunding Bonds, within thirty (30) days of their receipt by the City, the audited financial statements of the utility prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Assistant Director–Finance. Any owner of at least $25,000 in principal amount of the Refunding Bonds shall have the right at all reasonable times to inspect the sewage works system and the records, accounts and data of the City.

Sec. 10. Pledge of Net Revenues. The interest on and the principal of the Refunding Bonds issued pursuant to the provisions of this ordinance, and any bonds hereafter issued on a parity therewith, shall constitute a first charge, subject to Section 15 hereof, on all the Net Revenues of the City's sewage works, and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such Refunding Bonds, to the extent necessary for that purpose.

Sec. 11. Revenues. All revenues derived from the operation of the sewage works and from the collection of sewer rates and charges shall be segregated and deposited as set forth in this ordinance. Of these revenues the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars or paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid.

Sec. 12. General Account. (a) Any operation, repair and maintenance moneys heretofore accumulated pursuant to the ordinances authorizing the Refunded Bonds (the "Existing Ordinances") shall be credited to and become a part of the General Account created hereby as of the date of the advance refunding of the Refunded Bonds. All revenues of the sewage works shall be deposited in the General Account. The balance maintained in this Account shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to this Account shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day–to–day basis, including reasonable legal and professional expenses not taken into account in the definition of Net Revenues. Any monies in said Account may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the sewage works.

(b) As of the date of the delivery of the Refunding Bonds, all moneys held as a reserve for the Refunded Bonds, all moneys contained in the Depreciation Account and the Improvement Fund, pursuant to the Existing Ordinances, shall be transferred to the General Account and used for sewage works capital improvements or for any other lawful purpose. Moneys in the General Account shall be transferred from time to time to meet the requirements of the Sewage Works Sinking Fund. Moneys in excess of those transferred to the Sewage Works Sinking Fund may be transferred to the Sewage Works Improvement Fund or may be retained in the General Account, in the discretion of the Utility Service Board, and in a manner consistent with the requirements of this ordinance, provided that any excess Net Revenues must be used first to pay interest to the Insurer, if any, on amounts advanced under the Surety Bond before such excess Net Revenues may be transferred to the Sewage Works

Improvement Fund. Moneys in excess of those (i) required to be in the General Account and the Sewage Works Sinking Fund, and (ii) any amounts payable to the Insurer under the Financial Guaranty Agreement may also be used, in the discretion of the Utility Service Board, for any other lawful purpose related to the sewage works.

Sec. 13. Sewage Works Sinking Fund. (a) There is hereby created a sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works, the payment of any fiscal agency charges in connection with the payment of bonds, which fund shall be designated the "Sewage Works Sinking Fund" (herein, "Sewage Works Sinking Fund" or "Sinking Fund"). There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the sewage works to meet the requirements of the Bond and Interest Account and Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account, equal the principal of and interest on all of the then outstanding bonds of the sewage works to the final maturity and provide for payment of all fiscal agency charges.

(b) Bond and Interest Account. Any moneys accumulated to pay principal and interest for the Refunded Bonds shall be credited to and become a part of the Trust Account under the Escrow Agreement and shall be applied on the first payment made from the Trust Account. Moneys currently held as a reserve for the Refunded Bonds shall be deposited into and become a part of the General Account. Beginning as of the date of issuance of the Refunding Bonds, there shall be credited on the last day of calendar months November and December of 1989 to the Bond and Interest Account an amount of Net Revenues equal to one half (1/2) of the interest on the Refunding Bonds payable on January 1, 1990. Thereafter, there shall be credited on the last day of each calendar month to the Bond and Interest Account an amount of the Net Revenues equal to one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and at least one-twelfth (1/12) of the principal on all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding respective interest and principal payment dates shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest one business day prior to the interest payment

date and principal on the due date thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. The City shall purchase the Surety Bond as set forth in Section 7 of this ordinance as a reserve for the Refunding Bonds. As long as the Refunding Bonds are outstanding, the Reserve Account shall contain an amount, which may be satisfied with cash, a qualified surety bond or a combination thereof, equal to the least of (i) 10% of the Refunding Bond proceeds, (ii) the maximum annual debt service on the Refunding Bonds or (iii) 125% of average annual debt service on the Refunding Bonds ("Reserve Requirement"). For purposes of this subsection, proceeds means the face amount of the Refunding Bonds minus original issue discount, if any, plus any premium received on the Refunding Bonds and, a qualified surety bond means a surety bond issued by an insurance company rated in the highest rating category by Standard & Poor's Corporation and Moody's Investors Service. The balance in the Reserve Account shall never exceed the Reserve Requirement. The Reserve Account shall constitute the margin for safety and as protection against default in the payment of principal of and interest on the Refunding Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Refunding Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. To the extent that cash is held in the Reserve Account, the cash shall be drawn down completely before any demand is made on the Surety Bond. In the event moneys in the Reserve Account (whether cash or funds provided under the Surety Bond) are transferred to the Bond and Interest Account to pay principal and interest on outstanding Refunding Bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after credits into the Bond and Interest Account, provided that the Insurer shall be reimbursed first to reinstate the Surety Bond and second, to replenish any cash held in the Reserve Account. Any moneys in the Reserve Account in excess of the Reserve Requirement may, in the discretion of the Utility Service Board, be transferred to the General Account or be used for the purchase of outstanding bonds or installments of principal of fully registered Refunding Bonds at a price not exceeding par and accrued interest.

Sec. 14. Sewage Works Improvement Fund. As set forth in Section 12(b), revenues may be transferred or credited from the General Account to a fund designated the "Sewage Works Improvement Fund," and said Fund shall be used for improvements, replacements, additions and extensions of the sewage works. Moneys in the Sewage Works Improvement Fund shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default

in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sewage Works Sinking Fund or may be transferred to the General Account to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Sec. 15. Reversion of Flow of Funds. Simultaneously with the issuance of the Refunding Bonds, the moneys and investments in the funds and accounts established pursuant to the Existing Ordinances shall be used as set forth in the Escrow Agreement and transferred and deposited into the Funds and Accounts established by this ordinance as provided in Sections 11, 12, 13 and 14 hereof. Thereafter, all such transferred moneys and investments, together with revenues of the sewage works, shall be applied by the City in accordance with the terms of this ordinance so long as the cash and Government Obligations on deposit in the Trust Account are available and sufficient to pay when due the principal of and interest on the Refunded Bonds. In the event that the cash and Government Obligations, together with any increment thereto and interest earned thereon, will not be sufficient to pay when due all principal of and interest on the Refunded Bonds to and including their respective final maturities, the City covenants and agrees that (i) the revenues of the sewage works shall be applied in accordance with the terms of the Existing Ordinances, and (ii) the claim of the owners of the Refunding Bonds is in all respects junior and subordinate to the rights of the holders of the Refunded Bonds under said Existing Ordinances.

Sec. 16. Investment of Funds. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The General Account and the Sewage Works Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 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.

Sec. 17. Defeasance of the Refunding Bonds. If, when the Refunding Bonds or a portion thereof 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 Refunding Bonds or a portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the

Refunding Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys 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 the Refunding Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's sewage works. In addition to the conditions contained in this Section 17, all amounts owed to the Insurer under the terms of the Financial Guaranty Agreement shall be paid before this ordinance shall be deemed defeased.

Sec. 18. Rate Covenant. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sinking Fund by the Act and this ordinance. The rates and charges shall be established, to the extent permitted by law, to produce Net Revenues sufficient to pay 1.20 times the annual debt service on the Refunding Bonds and all amounts owed to the Insurer under the terms of the Financial Guaranty Agreement. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid by the City or the various departments thereof as the charges accrue.

Sec. 19. Additional Bond Provisions. The City reserves the right to authorize and issue additional bonds payable out of the revenues of its sewage works ranking on a parity with the Refunding Bonds for the purpose of financing the cost of future additions, extensions and improvements to its sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid in accordance with their terms. A debt service reserve for the additional parity bonds commensurate with and proportional to

the debt service reserve created for the Refunding Bonds under Section 13(c) shall be created, upon the delivery of the additional parity bonds, and maintained. Such reserve may either be funded with bond proceeds, funds of the sewage works or a combination thereof or, the City may obtain a qualified surety bond for said additional parity bonds from an insurance company rated in the highest category, at the time of issuance of said additional parity bonds, by Moody's Investors Service and Standard & Poor's Corporation.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Refunding Bonds shall be not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds the sewage rates and charges shall be increased sufficiently so that that increased rates and charges applied to the previous year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including the additional parity bonds proposed to be issued.

For purposes of this subsection, the records of the sewage works shall be analyzed and all showings prepared by a certified public accountant or nationally recognized financial consultant or consulting engineer employed by the City for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of January and July and the principal on the additional parity bonds shall be payable annually or semiannually on the first day(s) of the month(s) which correspond to the month(s) of the payment of principal of the Refunding Bonds.

Sec. 20. Further Covenants of the City; Maintenance, Insurance, Pledge Not To Encumber, Subordinate Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the owners of the Refunding Bonds, it is hereby specifically provided as follows:

(a) So long as any of the Refunding Bonds are outstanding, the City shall at all times maintain the sewage works system in good condition, and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Refunding Bonds are outstanding, the City shall maintain 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 of Indiana, and insurance proceeds shall be used either in replacing or restoring the property destroyed or damaged, or shall be deposited in the Sinking Fund.

As an alternative to maintaining such insurance, the City may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities.

(c) So long as any of the Refunding Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its sewage works system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said utility.

(d) Except as otherwise specifically provided in Section 19 of this ordinance, so long as any of the Refunding Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the system shall be authorized, issued or executed by the City, except such as shall be made junior and subordinate in all respects to the Refunding Bonds, unless all of the Refunding Bonds are redeemed or defeased coincidentally with the delivery of such additional bonds or other obligations.

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

(f) The provisions of this ordinance shall constitute a contract by and between the City and the owners of the Refunding Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Refunding 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 Refunding Bonds, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of the bondholders so long as any of the Refunding Bonds, or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 21(a)-(f), this ordinance may be amended, however, without the consent of bondowners, if the Common Council determines that such amendment would not adversely affect the owners of the Refunding Bonds, provided that the Insurer consents to such amendment in writing and a copy of such amendment is sent to Standard & Poor's Corporation.

(g) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Refunding Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of that Fund as in this ordinance set forth. The owners of the Refunding Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer the sewage works in the event the City shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Refunding Bonds.

(h) None of the provisions of this ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of the Refunding Bonds and the operation of the sewage works system.

(i) The Insurer is hereby designated as a third–party beneficiary under the terms and provisions of this ordinance; such terms and provisions which benefit the Insurer hereunder are specifically enforceable by the Insurer, to the extent permitted by law.

(j) The following events are hereby declared an "event of default":

(i) Payment of any amount payable on the Refunding Bonds shall not be made when the same is due and payable; or

(ii) The City shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Refunding Bonds or in this ordinance or any agreement supplemental hereof; or

(iii) The occurrence of an event of default under the Financial Guarantee Agreement.

The distribution of moneys upon the occurrence of an event of default with respect to payment on the Refunding Bonds shall be as follows: First, to the payment to the persons entitled thereto of all installments of interest then due on the Refunding Bonds, in the order of maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereof without any discriminations or privilege ; and second, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, of the Refunding Bonds which shall have become due (other than

Refunding Bonds called for redemption for the payment of which moneys are held pursuant to Section 17 of this ordinance), in the order of their due dates, with interest on such Refunding Bonds from the respective dates upon which they become due, and if the amount available shall not be sufficient to pay in full the Refunding Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and third, to the payment to the Insurer of any amounts due and owing to it under the terms of the Financial Guarantee Agreement and this ordinance.

Sec. 21. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds issued pursuant to this ordinance and then outstanding shall have the right from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Common Council of the City of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

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

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

(c) The creation of a lien upon or a pledge of the Net Revenues of the sewage works ranking prior to the pledge thereof created by this ordinance; or

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

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

(f) A reduction in the Reserve Requirement.

The City shall obtain the written consent of the Insurer to such supplemental ordinance and a copy of the supplemental ordinance shall be sent to Standard & Poor's Corporation.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding 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 of the City, no owner of any Refunding Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Common Council of the City 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 Refunding 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 of the owners of the Refunding Bonds authorized by this ordinance, and the terms and provisions of the Refunding Bonds and this ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Refunding Bonds then outstanding.

Sec. 22. Tax Covenants. In order to preserve the exclusion of interest on the Refunding Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Refunding Bonds (the "Code") and as an inducement to purchasers of the Refunding Bonds, the City represents, covenants and agrees that:

(a) No person or entity other than the City or another state or local governmental unit will use proceeds of the Refunding Bonds or property financed by the Refunding Bond proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Refunding Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that differentiates that person's or entity's use of such property from use by the general public.

(b) No portion of the principal of or interest on the Refunding Bonds is (under the terms of the Refunding Bonds, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to

be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No Refunding Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No Refunding 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 Refunding Bond proceeds.

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

(e) It shall be not an event of default under this ordinance if the interest on any Refunding Bond 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 Refunding Bonds.

(f) The City hereby covenants that it will rebate any arbitrage profits to the United States to the extent required by the Code and the regulations promulgated thereunder.

(g) These covenants are based solely on current law in effect and in existence on the date of delivery of such Refunding Bonds.

Sec. 23. Noncompliance with Tax Covenants. 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 Refunding 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.

Sec. 24. Notice to Insurer. All notices required to be given to the Insurer pursuant to the provisions of this ordinance shall be sent to:

Municipal Bond Investors Assurance Corporation
113 King Street
Armonk, New York 10504
Attention: Surveillance Department

Sec. 25. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, except the Existing Ordinances as described in Section 15, hereby repealed; provided, however, that this ordinance shall not be construed or adversely affecting the rights of the owners of the Refunded Bonds.

Sec. 26. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

Sec. 27. Effective Date. This ordinance shall be in full force and effect from and after its passage.

Passed and adopted by the Common Council of the City of Bloomington this 15 day of November, 1989.

COMMON COUNCIL

Presiding Officer

Attest:

Clerk

Presented by me to the Mayor of the City of Bloomington on the 16 day of November, 1989, at the hour of 11:00 A.m.

Clerk

Signed and approved by me, the Mayor of the City of Bloomington, on the 16 day of November, 1989, at the hour of 1:30 P.m.

Mayor

* **********

DOCUMENT SUMMARY

Document:	925593
Queue/Group:	PAH-BND
Operator:	KAS ;11/14,19:31
Author:	PATTIE ZELMER
Notes:	BOND ORDINANCE
Client:	BLOOMINGTON SEWAGE
Format:	k14f2p
Footnote:	
Rev:	29
Pages:	26 PP
Date:	November 14, 1989
Time:	7:31 PM

IMPORTANT: PLEASE RETAIN THIS SUMMARY SHEET.

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