Passed 6-0 (Flaherty, Ruff absent) (Rosenbarger left at 7:53pm)

ORDINANCE NO. 2025-36

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

WHEREAS, the City of Bloomington, Indiana (the "City"), has previously established and constructed and now owns and operates through its Utility Service Board (the "Board"), a municipal waterworks utility system (the "Waterworks") for furnishing the public water supply to the City and its inhabitants, through the City of Bloomington Utilities Department, all in accordance with the provisions of Indiana Code 8-1.5, as amended and in effect on the date of delivery of the Bonds authorized herein (the "Act"); and

WHEREAS, the Common Council of the City (the "Common Council") hereby finds that certain improvements, additions and extensions to the Waterworks are necessary; and that preliminary design plans, specifications, detailed descriptions and cost estimates have been prepared and filed by the engineers employed by the City for the construction of said improvements, additions and extensions, which plans, specifications, descriptions and estimates have been or will be approved by the Board and by all governmental authorities having jurisdiction thereover; and

WHEREAS, the Common Council further finds that the City has obtained estimates prepared and delivered by the engineers employed by the City for the construction of said improvements, additions and extensions and will advertise for and receive construction bids therefor; that on the basis of said estimates, the maximum estimated cost of constructing, acquiring, or extending such improvements, additions and extensions to the Waterworks, including all authorized expenses relating thereto, including the costs of issuance of one or more series of bonds on account of the financing of all or a portion thereof, is in the amount of Seventy-One Million Dollars ($71,000,000); and

WHEREAS, the Common Council further finds that there are not sufficient funds on hand from the Waterworks to pay the costs of the improvements, additions and extensions thereto, and that the financing of the costs of the improvements, additions and extensions to the Waterworks should be accomplished by the issuance of revenue bonds of the Waterworks, in one or more series, in an aggregate principal amount not to exceed Seventy-One Million Dollars ($71,000,000), and, if necessary, one or more series of bond anticipation notes ("BANs"), all on the terms and conditions set forth herein; and

WHEREAS, the Common Council finds that there are now outstanding bonds of the Waterworks consisting of its (a) Amended Waterworks Revenue of 2006, Series A, originally dated May 4, 2006 and amended on March 26, 2015, currently outstanding in the aggregate principal amount of $540,700 (the "2006 Bonds"), pursuant to Ordinance No. 05-12, as amended by Ordinance No. 06-04, and further amended by Ordinance No. 15-03 (collectively, the "2006 Ordinance"), (b) Waterworks Revenue Bonds of 2017, dated July 25, 2017, currently outstanding in the aggregate principal amount of $3,140,000 (the "2017 Bonds"), pursuant to Ordinance No. 16-09 (the "2017 Ordinance"), (c) Taxable Waterworks Revenue Bonds of 2020, Series B, dated May 28, 2020, currently outstanding in the aggregate principal amount of $16,210,000 (the "2020 Bonds"), pursuant to Ordinance No. 20-05 (the "2020 Ordinance"), and (d) Waterworks Revenue Bonds of 2022, dated June 23, 2022, currently outstanding in the aggregate principal amount of $14,600,000 (the "2022 Bonds"), pursuant to Ordinance No. 21-10 (the "2022 Ordinance"), all of which bonds are secured by, and constitute a first charge upon, the Net Revenues (as hereinafter defined) of the Waterworks; and

WHEREAS, each of the 2006 Ordinance, the 2017 Ordinance, the 2020 Ordinance, and the 2022 Ordinance (collectively, the "Prior Ordinances") allow for the issuance of additional bonds payable from the Net Revenues of the Waterworks ranking on parity with the pledge thereof to the 2006 Bonds, the 2017 Bonds, the 2020 Bonds and the 2022 Bonds (collectively, the "Outstanding Parity Bonds"), provided that certain financial conditions can be met (such financial conditions, the "Parity Tests"); and

WHEREAS, the Common Council finds that the Parity Tests can be met with respect to the bonds to be issued pursuant to this ordinance, and, accordingly, such bonds, when issued, will constitute a first charge against the Net Revenues of the Waterworks on a parity with the pledge thereof to the Outstanding Parity Bonds and are to be issued subject to the provisions of the Act and the terms and restrictions of this Ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, in one or more series, if necessary, payable solely from the proceeds of waterworks revenue bonds issued hereunder and to authorize the refunding of said BANs, if issued; and

WHEREAS, prior to the issuance of the bonds authorized by this ordinance, the City shall first obtain the approval of the Indiana Utility Regulatory Commission ("IURC") for the issuance of said bonds; and

WHEREAS, this Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds and, if necessary, bond anticipation notes, have been complied with in accordance with the provisions of the Act;

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

SECTION 1. Description of Projects. The City, being the owner of and engaged in operating an unencumbered Waterworks supplying the City, its inhabitants, and the residents adjacent thereto, with drinking water services, now finds it necessary to proceed with the construction of improvements, additions and extensions to its Waterworks in accordance with the cost estimates and the preliminary design plans heretofore prepared and filed by the consulting engineers employed by the City, which cost estimates and preliminary design plans are by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the Office of the City Clerk and are open for public inspection pursuant to IC 36-1-5-4, that the cost of construction of said improvements, additions and extensions to be financed by the issuance of Waterworks revenue bonds shall not exceed the sum of $71,000,000 (less the aggregate principal amount of any Lease Rental Bonds, as defined and described in Section 2(c) hereof), plus investment earnings on the bond and BAN proceeds, without further authorization from this Common Council.

Where used in this Ordinance, the term "City" shall be construed also to include any department, board, commission or officer or officers of the City or of any City department, board or commission. The terms "Waterworks", "waterworks", "works", "system" and similar terms used in this Ordinance shall be construed to mean the City's existing waterworks system together with all the real estate, equipment and appurtenances thereto used in connection therewith, and all improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired.

A description of the proposed improvements, additions and extensions is set forth on Exhibit A attached hereto (collectively, the "Projects"), and the Projects shall be constructed in accordance with the plans heretofore mentioned, which plans are hereby approved. Said Projects shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the Act.

SECTION 2. Issuance of Bonds and BANs.

(a) The City may issue, if necessary, bond anticipation notes ("the BANs") for the purpose of procuring interim financing to pay the costs of the Projects, and, if deemed appropriate, the costs of issuance of the BANs. The City may issue the BANs in one or more series, in an aggregate principal amount not to exceed Seventy-One Million Dollars ($71,000,000) (less the aggregate principal amount of any Lease Rental Bonds, as described in Section 2(c) hereof), to be designated "Waterworks Bond Anticipation Notes, Series 20__" (to be completed with the year in which the BANs are issued, together with such further or different series designation as determined by the Controller (as defined herein) to be necessary or appropriate). The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of $1,000 or more (or such higher denominations as the Controller of the City (the "Controller") shall determine prior to the sale of the BANs). The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations with the purchasers of the BANs) payable upon maturity. Each series of BANs will mature no later than three (3) years after their date of delivery, unless determined otherwise by the Controller with the advice of the City's Municipal Advisor (as defined below). The BANs are subject to renewal or extension at an interest rate or rates not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or negotiation). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

If necessary, the BANs shall be issued pursuant to IC 5-1-14-5, as amended, and may be sold to a financial institution or any other purchaser. The BANs shall be sold at a price not less than ninety-nine percent (99.0%) of the principal amount thereof. The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale of the Bonds authorized hereunder. The interest on the BANs shall be payable from proceeds from the issuance and sale hereunder of the Bonds, and, at the discretion of the Controller, may be payable from the Net Revenues of the Waterworks. The Mayor of the City (the "Mayor") and the Controller are hereby authorized and directed to execute a purchase agreement, term sheet or similar instrument with respect to the BAN in such form or substance as they shall approve acting upon the advice of counsel. The BANs may be made prepayable at the option of the City, in whole or in part, on dates and with premiums, if any, and subject to any other terms as determined by the Controller with the advice of the Municipal Advisor, prior to the sale of the BANs. In the case of prepayment, the principal and accrued interest due on the BANs shall be paid only from proceeds of the Bonds, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor; provided, however, that such other funds are not pledged to the payment of the BANs. The Mayor and the Controller may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith. Unless otherwise indicated by the context, references herein to the Bonds shall also apply to the BANs.

Notwithstanding any other provision of this Ordinance, if the BANs are sold to a purchaser that so agrees, the City may receive payment for the BANs in installments, and principal shall not be payable and interest shall not accrue on the BANs until such principal amount has been advanced pursuant to requests made by the City to such purchaser. In the event that the total principal amount of the BANs sold to such purchaser is not advanced to the City, the principal amount of the BANs shall be reduced accordingly.

(b) In accordance with the Act, the City shall issue, in one or more series, its waterworks revenue bonds designated "City of Bloomington, Indiana Waterworks Revenue Bonds of 20__", to be completed with the year in which such series of bonds are issued, together with such further or different series designation as determined by the Controller to be necessary or appropriate, in the aggregate principal amount not to exceed Seventy-One Million Dollars ($71,000,000), less the aggregate principal amount of any Lease Rental Bonds, as described in Section 2(c) hereof (collectively, the "Bonds"), for the purpose of providing funds to (i) pay costs of the Projects, (ii) fund a debt service reserve fund or pay the premium for a debt service reserve surety policy, (iii) pay capitalized interest on the Bonds, if necessary, and (iv) pay the costs incurred on account of the issuance and sale of the Bonds, including any premiums for any municipal bond insurance policies. The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Net Revenues deposited into the Sinking Fund, as defined and described herein. The Bonds shall rank on parity with the Outstanding Parity Bonds. Notwithstanding anything herein to the contrary, any series of the Bonds may be issued on a tax-exempt or taxable basis for purposes of federal income taxation, based upon the advice of bond counsel and the recommendation of the Municipal Advisor.

The Bonds shall be issued in one or more series as fully registered bonds in denominations of: (i) Five Thousand Dollars ($5,000) or any integral multiple thereof, or (ii) if sold through a private placement, in denominations of One Hundred Thousand Dollars ($100,000), plus any integral multiple of One Thousand Dollars ($1,000) in excess thereof, or the aggregate principal amount of such Bonds maturing in any year if less than $100,000; in either case not exceeding the aggregate principal amount of the Bonds maturing in any one year. Each series of the Bonds shall be numbered consecutively from R-1 upward, and shall bear interest at a rate not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations). Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve (12) thirty (30)-day months, and shall be payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing not earlier than January 1, 2026, with the first interest payment to be determined by the Controller (upon the advice of the municipal advisor) prior to the sale of such series of the Bonds. The principal of each series of the Bonds shall mature semiannually on January 1 and July 1 of each year, commencing not earlier than July 1, 2029, and ending no later than January 1, 2048, until the principal is fully paid. The Bonds may also be issued as term bonds, maturing on January 1 or July 1, with semiannual mandatory sinking fund payments on January 1 and July of each year, commencing not earlier than July 1, 2029, and ending no later than January 1, 2048, until the principal is fully paid. Subject to the terms and conditions herein, the Bonds shall mature on such dates and in such amounts, as determined by the Controller prior to the sale of the Bonds with the advice of the Municipal Advisor, in order to produce, on an aggregate basis, as level annual debt service as practicable for all obligations payable from the Net Revenues of the Waterworks.

The Bonds shall bear an original issue date which shall be the date of delivery and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the fifteenth (15^{th}) day of the month immediately preceding the first Interest Payment Date, shall pay interest from its original date. Any Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest thereon has been paid or duly provided for, unless such Bond is authenticated after the fifteenth (15^{th}) day of the month immediately preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

The Controller is authorized to serve as, or the Mayor and the Controller are authorized to appoint a qualified financial institution to serve as, the Registrar and Paying Agent for the Bonds (the "Registrar and Paying Agent") as will enable and facilitate the performance of its duties and responsibilities, and are authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, with such fees to be paid from the Sinking Fund as described in this Ordinance. The Registrar and Paying Agent is hereby charged with the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the Bonds.

The Registrar and Paying Agent, if not the Controller, may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the City and by first-class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Any such notice to the City may be served personally or sent by certified mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor Registrar and Paying Agent shall deliver all of the Bonds and cash in its possession with respect thereto, together with the registration books to the successor Registrar and Paying Agent. The Controller is hereby authorized to act on behalf of the City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent.

If wire transfer payment for the Bonds is not required, the principal of and any redemption premium on the Bonds shall be payable at the designated corporate trust operations office of the Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the fifteenth (15^{th}) day of the calendar month immediately preceding an

Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. Notwithstanding anything in this Ordinance to the contrary, so long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, or any successor thereto, is the registered owner of any series of the Bonds, the principal of and premium, if any, and interest on such series of the Bonds will be paid directly to DTC or successor depository by wire transfer on the payment date in same-day funds by the Paying Agent. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

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

In the event any Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder.

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

(c) Notwithstanding anything herein to the contrary, in lieu of issuing a portion of the Bonds authorized herein to finance a portion of the costs of the New Service Center Project (as defined herein), the Council hereby authorizes the City to enter into a lease agreement (the "Lease") with a non-profit building corporation or other body corporate and politic and instrumentality of the City organized or established under Indiana law for the purpose of assisting the City with financing and constructing capital projects from time to time (such entity, the "Lessor"), which Lease will allow the Lessor to issue one or more series of its lease rental revenue bonds (the "Lease Rental Bonds") to finance the portion of the New Service Center Project allocable to the Waterworks utility, together with the costs of issuance thereof. The Lease Rental Bonds shall be issued in a maximum aggregate principal amount not to exceed Twenty-Four Million Four Hundred Forty-Five Thousand Dollars ($24,445,000), shall have a maximum term not exceeding twenty (20) years after the date of issuance thereof, and shall bear interest at a rate or rates not to exceed eight percent (8.0%) per annum. Any such Lease shall have a term beginning on the date of issuance of the Lease Rental Bonds and ending on a date not more than twenty (20) years thereafter. The maximum annual lease payments due under the Lease shall not exceed One Million Nine Hundred Eighteen Thousand Three Hundred Dollars ($1,918,300), which lease rentals shall be payable on January 1 and July 1 each year, commencing not earlier than July 1, 2029. The lease rentals due under the Lease shall be secured by, and payable from, a pledge of Net Revenues, on parity with the pledge thereof to the Bonds and the Outstanding Parity Obligations. The maximum authorized principal amount of the Bonds authorized herein shall be reduced by the principal amount of any Lease Rental Bonds issued to finance the New Service Center Project. As used herein, "*New Service Center Project*" means the proposed new service center and maintenance buildings to be used by City of Bloomington Utilities department, including, but not limited to, the demolition of the existing buildings at the Winston Thomas property, the design, engineering, construction and equipping of a new service center and maintenance facility buildings and any other costs or equipment related thereto. If the City determines to finance the New Service Center Project as described in this Section 2(c), the Lease and the Lease Rental Bonds shall be hereafter authorized and approved in accordance with all procedures required by Indiana law.

SECTION 3. Redemption of Bonds. The Mayor and the Controller, upon consultation with the Municipal Advisor, may designate each series or maturities of Bonds (or portion thereof in integral multiples of $5,000 principal amount each) that shall be subject to optional redemption and/or maturity sinking fund redemption, and the corresponding redemption dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Mayor and the Controller, upon consultation with the Municipal Advisor, are hereby authorized and directed to determine the terms governing any such redemption, as evidenced by the delivery of the Bonds.

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 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 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 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 Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each Five Thousand Dollars ($5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called shall be selected by lot by the Registrar.

Notice of such redemption shall be mailed by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by such registered owner), at the address shown on the books of the Registrar. The notice shall specify date and place of redemption, and the registration numbers of the Bonds called for redemption. The place of redemption may be at the designated corporate trust operations office of the Paying Agent or as otherwise determined by the City. Interest on the Bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Bonds are presented for payment.

In addition to the foregoing notice, the City may also direct that further notice of redemption of the Bonds be given, including without limitation and at the option of the City, notice described in paragraph (a) below given by the Registrar to the parties described in paragraph (b) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the City, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bond being redeemed.

(b) If so directed by the City, each further notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories as the Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of the Bonds being redeemed and if so directed by the City, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 4. Authorization for Book-Entry System. The Bonds may, in compliance with all applicable laws and as determined by the Controller based upon the advice of the Municipal Advisor, 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 Controller 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 4 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 5. Execution and Authentication of the Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the Controller, and attested by the manual or facsimile signature of the Clerk who shall affix the seal of the City manually or by facsimile to each of the Bonds. The Bonds shall be authenticated by the manual signature of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any Bond shall cease to be such official before the delivery of such Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Bonds, the Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

SECTION 6. Security and Sources of Payment; Pledge of Net Revenues. The Bonds, when fully paid for and delivered to the purchaser or purchasers thereof, together with the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith, as to both principal and interest, shall be valid and binding, special and limited obligations of the City, payable from and secured by, and shall constitute a first charge upon, all of the "Net Revenues" (herein defined as gross revenues of the Waterworks after deduction only for the payment of the reasonable expenses of operation and maintenance) derived from the Waterworks, including all such Net Revenues from the existing works and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside in the Sinking Fund (as defined herein), which are hereby irrevocably pledged to the payment of the Bonds on a parity basis with the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith, to the extent necessary for that purpose. The City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. The 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.

SECTION 7. Form of the Bonds. The form and tenor of the Bonds shall be substantially as set forth in Exhibit B, attached hereto and incorporated herein as if set forth at this place (with all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof).

SECTION 8. Issuance, Sale and Delivery of the Bonds. The Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute and attest, respectively, the Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or respective purchasers have agreed to pay therefor, which shall not be less than 99.0% of the par amount of the Bonds (or such higher percentage of the par value of the Bonds as may be determined by the Controller prior to the sale of the Bonds with the advice of the Municipal Advisor and set forth in the Controller's Certificate), plus accrued interest thereon to the date of delivery. The Bonds, when fully paid for and delivered to the purchaser or purchasers shall be the binding special revenue obligations of the City, payable out of the revenues of the Waterworks to be set aside and paid into the Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the application to the costs of the Projects and the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds on account of the financing thereof. The authorized officers of the City are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

Any series of the Bonds may, in the discretion of the Controller based upon the advice of the Municipal Advisor, be sold by public sale. If the Bonds are sold by public sale, the Controller 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 Controller. 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 Controller and the attorneys employed by the City shall deem necessary or advisable. Such notice shall provide, among other things, that each bid shall be accompanied by (or provided within one business day following the date of sale) a certified or cashier's check or wire transfer in the amount of one percent (1%) of the par amount of the Bonds to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the Bonds as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then such check 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 Controller or the Controller's 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 eight percent (8.0%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) 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 rate on any maturity shall be equal to or greater than the rate on the immediately preceding maturity. The Bonds shall be awarded by the Controller 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 from the date thereof to their respective maturities and deducting therefrom the premium bid, if any. No bid for less than 99.0% of the par amount of the Bonds or less than all maturities of the Bonds, plus accrued interest to the date of delivery, shall be considered. The City shall have the right to reject any and all bids and to waive any and all informalities, irregularities, defects or requirements set forth in the notice of sale or in any bid submitted in response to such notice. In the event an acceptable bid is not received on the date fixed in the notice, the Controller shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without re-advertising. 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.

As an alternative to a public sale, any series of the Bonds may, in the discretion of the Controller based upon the advice of the Municipal Advisor, be sold by negotiated sale with one or more purchasers selected by the Controller, consistent with the terms and conditions set forth in this Ordinance. The Mayor and the Controller are hereby authorized to (i) execute one or more purchase agreements, term sheets or similar instruments with the purchaser or purchasers of the Bonds, and (ii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this Ordinance. The final form of any such purchase agreement shall be approved by the Mayor and Controller, upon the advice of the City's bond counsel and Municipal Advisor, and the Mayor and Controller 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 the Ordinance.

Prior to the delivery of the Bonds, the Controller (i) shall be authorized, but not required, to investigate and to obtain insurance, surety bonds and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, and such opinion shall be furnished to the purchasers of the Bonds at the expense of the City. The costs of obtaining any such insurance, surety bonds and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the cost of issuance of the Bonds and shall be paid out of the proceeds of the sale of the Bonds.

SECTION 9. Official Statement. Any series of the BANs or the Bonds may be offered and sold pursuant to an Official Statement (preliminary and final) or other offering document with respect to such BANs or Bonds (collectively, the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board, to the extent applicable to the Bonds. The City hereby authorizes the Mayor or Controller (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the City with respect to the BANs or Bonds, (b) on behalf of the City, to designate the Preliminary Official Statement a "final" Official Statement of the City with respect to the Bonds, and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule.

SECTION 10. Continuing Disclosure. If required under the Rule, the Common Council hereby approves, and authorizes and directs the Mayor and the Controller, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under, a Continuing Disclosure Contract from the City to each registered owner or holder of any Bond (the "Continuing Disclosure Contract"). The Mayor and the Controller are authorized to approve the form of the Continuing Disclosure Contract, upon the advice of the City's bond counsel, with such determination to be conclusively evidenced by such Mayor's and such Controller's execution thereof.

SECTION 11. Construction Account; Use of Proceeds of Bonds. All of the proceeds from the sale of the Bonds, to the extent not used to refund BANs, and all proceeds of any BANs (if issued) 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 Bloomington, 2026 Waterworks Construction Account", or such different or further designation as determined by the Controller to be necessary or appropriate (the "Construction Account"). All funds deposited to the credit of the Sinking Fund (as defined herein) or the Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, as amended. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Projects, refunding the BANs (if any), or as otherwise required by the Act or for the expenses of issuance of the Bonds.

All costs of issuance of the Bonds or the BANs, including, without limitation, any rating agency fees, fiscal agency charges, fees and expenses of legal counsel and municipal advisors, printing costs, DTC and CUSIP fees and charges, and/or premiums for credit facilities or reserve fund surety policies, shall be considered as a part of the cost of the Projects on account of which the BANs and Bonds are issued, and the Controller is hereby authorized to pay such costs of issuance from the proceeds of the BANs or Bonds.

If any proceeds of the Bonds will be used to fund all or a portion of the Reserve Account (as defined herein), the Controller shall transfer such proceeds of the Bonds to the Reserve Account of the Sinking Fund, as hereinafter described.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Projects, which are not required to meet unpaid obligations incurred in connection with such Projects, shall be either (i) paid into the Sinking Fund and used solely for the purposes of said Sinking Fund or (ii) used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with Indiana Code 5-1-13, as amended.

SECTION 12. Waterworks Revenue Fund; Segregation and Application of Waterworks Revenues. There has previously been created under the Prior Ordinances and is hereby continued, a special fund which is segregated and kept apart from all other funds and bank accounts of the City, designated as the "Waterworks Revenue Fund" (the "Revenue Fund"). All revenues derived from the operation of the Waterworks and from the collection of water rates and charges shall be deposited in the Revenue Fund and segregated and deposited as set forth in this Ordinance. Out of these revenues, the proper and reasonable expenses of operation and maintenance of the Waterworks shall be paid, the requirements of the Sinking fund shall be met and fiscal agency charges of bank registrars and paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid, all as hereinafter provided.

SECTION 13. Operation and Maintenance Fund. (a) There has previously been created under the Prior Ordinances and is hereby continued an Operation and Maintenance Fund consisting of a General Account (the "General Account").

(b) On the last day of each calendar month, there shall be set aside, transferred and deposited into the General Account from the Revenue Fund a sufficient amount of the revenues of the Waterworks so that the balance maintained in the General Account shall be sufficient to pay the expenses of operation and maintenance of the Waterworks for the then next succeeding two (2) calendar months. The moneys credited to the General Account shall be used for the payment of the reasonable and proper operation and maintenance expenses of the Waterworks on a day-to-day basis, but none of the moneys in such account shall be used for depreciation, payments in lieu of taxes, replacements, improvements, extensions or additions with respect to the Waterworks. Any moneys in the General Account may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on any outstanding bonds of the Waterworks.

(c) All remaining revenues of the Waterworks shall be transferred from time to time to meet the requirements of the Sinking Fund. Moneys in excess of those transferred to the Sinking Fund may be transferred to the Improvement Fund (as defined herein) or may be retained in the General Account, in the discretion of the Board, and in a manner consistent with the requirements of this Ordinance. Moneys in excess of those required to be in the General Account and the Sinking Fund may also be used, in the discretion of the Board, for any other lawful purpose related to the Waterworks. Notwithstanding the foregoing, in the event that any amounts are due to any providers (including their successors and assigns) of any municipal bond insurance policies or debt service reserve surety policies acquired by the City in connection with the Bonds or any of the Outstanding Parity Bonds, any excess moneys in the General Account after making all required transfers to the Sinking Fund shall be first used to pay any amounts owed under such policies.

SECTION 14. Waterworks Sinking Fund. (a) There is hereby continued from the Prior Ordinances a fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Waterworks and the payment of any fiscal agency charges in connection with the payment of the bonds and interest, which fund has been previously designated as the Waterworks Sinking Fund ("Sinking Fund"), within which there has been created and is hereby continued a Bond and Interest Account (the "Bond and Interest Account") and a Debt Service Reserve Account (the "Reserve Account"). There shall be set aside, transferred and deposited into the Sinking Fund, as available and as hereinafter provided, a sufficient amount of the Net Revenues of the Waterworks to meet the requirements of the Bond and Interest Account and the Reserve Account. 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 Waterworks to their final maturity and provide for payment of all fiscal agency charges.

(b) Bond and Interest Account. The Bond and Interest Account is hereby continued within the Sinking Fund. 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 at least one-sixth (1/6) of the interest on all then outstanding bonds of the Waterworks payable on the then next succeeding Interest Payment Date, and at least one-sixth (1/6) of the principal on all then outstanding bonds of the Waterworks payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited; provided, that such fractional amounts shall be appropriately increased, if necessary, to provide for the first interest and first principal payments on the Bonds. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on the bonds of the Waterworks 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 and principal on the due dates thereof together with the amount of any bank fiscal agency charges.

(c) Reserve Account. The Reserve Account is hereby continued within the Sinking Fund. The City has funded with cash on hand, bond proceeds or purchased Surety Bonds (the "Outstanding Surety Bonds") to satisfy the reserve requirements for the Outstanding Parity Bonds, which moneys and Outstanding Surety Bonds are held in the Reserve Account as a separate reserve for each of the Outstanding Parity Bonds.

On the date of delivery of the Bonds, the City shall cause funds on hand of the Waterworks, proceeds of the Bonds, or a combination thereof, to be deposited and/or maintained in the Reserve Account so that the balance therein allocable to the Bonds shall equal the least of (i) the maximum annual debt service on the Bonds, (ii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, or (iii) ten percent (10%) of the proceeds of the Bonds; provided, however, the Controller is hereby authorized to adjust the reserve requirement for the Bonds (taking into account the Outstanding Surety Bonds, any other Surety Bonds, and any cash held therein) in order to meet any requirements of the Purchaser of the Bonds, if applicable on the date of issuance of the Bonds (the "Reserve Requirement").

If on the date of delivery of a series of the Bonds, the initial deposit into the Reserve Account does not equal the Reserve Requirement or if no deposit is made, the City shall deposit a sum of Net Revenues into the Reserve Account on the last day of each calendar month, beginning with the first month after the Bonds are delivered, until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years after the date of delivery of such series of Bonds.

The Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Outstanding Parity Bonds, the Bonds, and any other parity bonds of the City payable from the Net Revenues of its Waterworks hereafter issued so long as the Reserve Requirement has been increased proportionately, and the moneys in the Reserve Account shall only be used to pay current principal and interest on such bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. If it becomes necessary to draw upon the Reserve Account to pay the Outstanding Parity Bonds or the Bonds, the City shall first draw down the cash in the Reserve Account, if any, and next initiate draws on any Qualified Surety Bonds held therein, including the Outstanding Surety Bonds, on a pro rata basis, to meet such payments when due. Notwithstanding the foregoing sentence, if the Reserve Requirement for the Bonds is funded in whole or in part with cash rather than in whole with a Qualified Surety Bond, the City shall, if necessary to pay principal of or interest on the Bonds, use the cash in the Reserve Account to first pay such principal of or interest on the Bonds before such cash is used on the Outstanding Parity Bonds. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Waterworks Improvement Fund, and in no event shall such excess moneys be held in the Reserve Account.

Notwithstanding anything herein to the contrary, but subject to the terms of the Prior Ordinances, the City reserves the right to satisfy the Reserve Account at any time with funds on hand of the Waterworks, bond proceeds, a Qualified Surety Bond, or a combination thereof. A "Qualified Surety Bond" means a surety bond or policy issued by an insurance company rated solely at the time of issuance of such instrument in one of the two highest full rating categories by Standard & Poor's Global Ratings Services and Moody's Investors Service. If any such surety bond is purchased, the Mayor and the Controller are hereby authorized to execute and deliver all agreements with the provider of Qualified Surety Bonds to the extent necessary to comply with the terms thereof and the commitment to issue such Qualified Surety Bond. Such agreement shall be deemed a part of this Ordinance for all purposes and is hereby incorporated herein by reference.

SECTION 15. Waterworks Improvement Fund. As set forth in Section 13 hereof, revenues may be transferred or credited from the General Account to the Waterworks Improvement Fund previously created by the Prior Ordinances and hereby continued (the "Improvement Fund"). Subject to the provisions of the Prior Ordinances, the Improvement Fund shall be used for (a) improvements, replacements, additions and extensions of the Waterworks, (b) for payments in lieu of taxes, and (c) for any other lawful purpose related to the Waterworks. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds payable from the Sinking Fund or if necessary to eliminate any deficiencies in credits to or minimum balances, if any, in the Reserve Account. Moneys in the Improvement Fund also may be transferred to the General Account to meet unforeseen contingencies in the operation and maintenance of the Waterworks.

SECTION 16. Priority of Payments. All revenues of the Waterworks shall be paid in the following order, with the priority as indicated:

(a) First, to pay all reasonable and proper expenses of the operation and maintenance of the Waterworks;

(b) Second, on a pari passu (parity) basis, to pay all principal of and interest on the Outstanding Parity Bonds, the Bonds and any bonds hereafter issued which rank on a parity with the Bonds;

(c) Third, on a pari passu (parity) basis, to replenish any cash drawn from the Reserve Account if the Reserve Requirement for the Bonds or the Outstanding Parity Bonds is satisfied, in whole or in part, with cash and to replenish any surety bonds in place for either the Outstanding Parity Bonds or the Bonds;

(d) Fourth, to replenish any other cash drawn, if any, from the Reserve Account;

(e) Fifth, to pay the costs of improvements, replacements, additions and extensions of the Waterworks and for payments in lieu of taxes; and

(f) All other lawful uses related to the Waterworks, including debt service payments on any junior and subordinate bonds.

SECTION 17. Separation of Funds; Investments. The proceeds from the sale of the Bonds 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. 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 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 of the funds and accounts of the Waterworks created or continued by this Ordinance, and all moneys deposited therein, shall be continuously maintained, deposited, held, secured and invested as public funds in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including, particularly, applicable provisions of Indiana Code 5-13 and the acts amendatory thereof and supplemental thereto. Any interest or income derived from any such investments shall become a part of the moneys in the fund or account so invested and shall be used only as provided in this Ordinance and the Prior Ordinances. In no event shall any of the Net Revenues of the Waterworks be transferred or used for any purpose not authorized by this Ordinance or the Prior Ordinances, so long as any of the bonds secured by and payable from the Net Revenues shall be outstanding. Upon issuance of the Bonds, moneys held and on deposit in the existing funds and accounts established under the Prior Ordinances shall remain on deposit therein.

SECTION 18. Books of Records and Accounts. The City shall keep proper record books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected on account of the operation of the Waterworks and all disbursements made therefrom and all transactions relating to the Waterworks. Copies of all such statements and reports shall be kept on file in the office of the Controller. There shall be prepared and furnished, upon the written request, to any owner of the Bonds then outstanding, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the Waterworks, covering the preceding fiscal year. Copies of all such statements and reports shall be kept on file in the office of the Director of the City of Bloomington Utilities. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the Waterworks and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

SECTION 19. Rate Covenant. The City covenants and agrees that it will establish, maintain and collect just and equitable rates and charges for facilities and services afforded and rendered by the Waterworks, which shall to the extent permitted by law produce sufficient revenues at all times to pay all the legal and other necessary expense incident to the operation of the Waterworks, to include maintenance costs, operating charges, upkeep, repairs, interest charges on bonds or other obligations, to provide for the proper operation, repair and maintenance of the Waterworks, to provide the Sinking Fund and debt service reserve for the liquidation of bonds or other evidences of indebtedness, to provide adequate funds to be used as working capital, as well as funds for making extensions, additions and replacements, and also, for the payment of any taxes that may be assessed against the Waterworks, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service. 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 Outstanding Parity Bonds, the Bonds and bonds hereafter issued on a parity with the Bonds. So long as any of the Bonds are outstanding, none of the facilities or services afforded or rendered by the Waterworks shall be furnished without a reasonable and just charge being made therefor. The City shall pay like charges for any and all services rendered by the Waterworks to the City, and all such payments shall be deemed to be revenues of the Waterworks. Such rates and charges shall, if necessary, be changed and adjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation and maintenance, and the requirements of the Sinking Fund.

SECTION 20. Defeasance. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, (ii) direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) any combination thereof, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's Waterworks.

SECTION 21. Additional Bond Provisions. The City reserves the right to authorize and issue additional parity bonds, payable out of the Net Revenues of its Waterworks, ranking on a parity with the pledge thereof to the Bonds and the Outstanding Parity Bonds (such bonds, the "Additional Parity Bonds"), for the purpose of financing the cost of future extensions, betterments or improvements to the Waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund and the accounts thereof shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the Waterworks shall have been paid to date in accordance with their terms.

(b) The balance in the Reserve Account with respect to all outstanding bonds and the proposed additional bonds shall be equal to the aggregate amount required to be on deposit therein by the Prior Ordinances and herein; provided, however, this condition shall be satisfied if any required amount is to be provided from the proceeds of such additional bonds or other funds either (i) at the time of their issuance of the proposed additional bonds or (ii) by monthly deposits in an amount sufficient to build the balance in the Reserve Amount to an amount equal to the Reserve Requirement with respect to the proposed additional bonds within five (5) years after the additional bonds are issued, on a level monthly basis (after accounting for earnings thereon).

(c) The Net Revenues of the Waterworks in the calendar year immediately preceding the issuance of any such additional bonds ranking on a parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous calendar year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the Waterworks shall be analyzed and all showings shall be prepared by a certified public accountant or nationally recognized financial consultant or consulting engineer employed by the City for that purpose. For purposes of this subsection, Net Revenues shall not include non-recurring revenues of the Waterworks as certified by the Board or any outstanding fund balances from prior years.

(d) The principal of said additional parity bonds shall be payable semiannually on January 1 and July 1 and the interest on said additional parity bonds shall be payable semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

(e) To the extent required by law, the issuance of additional bonds and any necessary increase in water rates and charges shall be approved by the Indiana Utility Regulatory Commission.

SECTION 22. Additional Covenants of the City. For the purpose of further safeguarding the interests of the owners of the Bonds, it is hereby specifically provided as follows:

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

(b) So long as any of the Bonds are outstanding, the City shall acquire and maintain insurance coverage, including fidelity bonds, to protect the Waterworks and its operations of a kind and in an amount such as is automatically carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. All insurance proceeds and condemnation awards shall be used to replace or repair the property destroyed or damaged.

(c) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its Waterworks system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, except to replace equipment which may become worn out or obsolete.

(d) Except as hereinbefore provided in Section 21 hereof, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said Waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed, retired or defeased coincidentally with the delivery of such additional bonds or other obligations or, as provided in Section 20 hereof, funds sufficient to effect such redemption are available and set aside for such purpose at the time of issuance of such additional bonds or obligations.

(e) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the 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 Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of 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 Bonds, the interest thereon remain outstanding or unpaid. Except for the changes set forth in Section 27(a)-(g), this Ordinance may be amended, however, without the consent of Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(f) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the 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 said fund as in this Ordinance set forth. The owners of the 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 Waterworks 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 Bonds.

SECTION 23. Investment of Funds. (a) The Controller is hereby authorized pursuant to IC 5-1-14-3 and the provisions of this Ordinance to invest moneys (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

(b) The Controller shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts referenced herein. In order to comply with the provisions of the ordinance, the Controller 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. The Controller may pay any fees as operation expenses of the waterworks.

SECTION 24. Tax Covenants. In order to preserve the excludability of interest on any series of the BANs or 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 Bonds, as the case may be ("Code") and as an inducement to purchasers of such series of the BANS or Bonds, the City represents, covenants and agrees that:

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

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the 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 more than 5% of the Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the 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 Bond proceeds.

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

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

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

(g) It shall be not an event of default under this Ordinance if the interest on any 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 Bonds.

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

(i) The City represents that it will rebate any arbitrage profits to the United States in accordance with the Code.

(j) The Common Council hereby authorizes the Mayor and the Controller to determine whether any series of Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations. Such designation, if made, will be set forth in the arbitrage certificate delivered by the City in connection with the Bonds.

Notwithstanding any provision of this Ordinance to the contrary, the City may elect to issue a series of the Bonds, the interest on which is not excludable from gross income for federal tax purposes, so long as such election does not adversely affect the exclusion from gross income of interest for federal tax purposes on any other series of the Bonds, by making such election on the date of delivery of such series of the Bonds. In such case, the covenants in this section of the Ordinance shall not apply to such series of the Bonds.

SECTION 25. Waiver of Tax Covenants. Notwithstanding any other provision of this Ordinance, any of the covenants and authorizations contained in Section 24 of this Ordinance (the "Tax Covenants"), which are designed to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, need not be complied with if the City receives an opinion of nationally recognized bond counsel to the effect that compliance with such Tax Covenant is unnecessary to preserve such exclusion of interest.

SECTION 26. Supplemental Ordinances Without Consent. Without notice to or consent of the owners of the Bonds herein authorized, the City may, from time to time and at any time, adopt an ordinance or ordinances supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance or to make any other change authorized herein;

(b) To grant to or confer upon the owners of the Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the Bonds;

(c) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America or to obtain or maintain bond insurance or other credit enhancement with respect to payments of principal of and interest on Bonds;

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

(e) To procure a rating on the Bonds from a nationally recognized securities rating agency or agencies designated in such supplemental ordinance if such supplemental ordinance will not adversely affect the owners of the Bonds or any other bonds ranking on a parity with such Bonds; or

(f) To accomplish any other purpose which, in the judgment of the City, does not adversely affect the interests of the owners of the Bonds.

SECTION 27. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in Section 22(f), Section 25 and this Section 26, 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 issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

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

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

(c) The creation of a lien upon or a pledge of the revenues of the Waterworks ranking prior to the pledge thereof created by this Ordinance; or

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

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

(f) A reduction in the required balance to be held as a reserve for the Bonds; or

(g) The extension of mandatory sinking fund redemption dates, if any.

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 Controller of the City, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

SECTION 28. Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, is a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal day.

SECTION 29. <u>IURC</u>. The Waterworks is subject to the jurisdiction of the IURC for the approval of the issuance of bonds and rates and charges. Prior to the issuance of the Bonds or any BAN with a maturity of more than twelve (12) months, the City shall obtain the approval of the IURC for the issuance of said Bonds or BANs. The City hereby authorizes the Mayor to retain legal counsel and other professional services as may be necessary to obtain said approval from the IURC and to initiate the proceedings necessary for obtaining said approval.

SECTION 31. <u>Other Actions</u>. Each of the Mayor and the Controller is hereby authorized and directed, for and on behalf of the City, to execute and deliver any agreement, certificate or other instrument or take any other action which such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

SECTION 32. <u>Repeal; Construction with Other Ordinances</u>. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed; provided, however, that this Ordinance shall not be deemed in any way to repeal, amend, alter or modify any of the Prior Ordinances, nor be construed as adversely affecting the rights of any of the owners of the outstanding Prior Bonds.

SECTION 33. <u>Severability</u>. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 34. <u>Captions</u>. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

SECTION 35. <u>Effective Date</u>. This Ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

[*Signature Page Follows*]

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Indiana, this 30 day of September, 2025.

HOPI STOSBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Indiana, this 02 day of October, 2025.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED this 2 day of Oct, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the City of Bloomington to issue one or more series of its Waterworks Revenue Bonds, in the aggregate principal amount not to exceed $71,000,000, a portion of which are anticipated to be issued in 2026 and the remainder in 2028. The bonds will be issued to finance all or a portion of the costs of design, engineering, acquisition, construction, equipping, and improvement of capital projects related to the Monroe Water Treatment Plant, the Waterworks distribution system and watermain, and a New Service Center and Maintenance Buildings, and pay costs of issuance of the bonds.

Distributed to: Clerk, Council Attorney, Controller, CBU, Legal, and Mayor.

EXHIBIT A

DESCRIPTION OF PROJECTS

Monroe Water Treatment Plant Projects:

- Sedimentation Basin 1 Rehabilitation, Valve Actuator, and Horizontal Flocculator System Rebuilds
- Sedimentation Basin 2 Rehabilitation, Valve Actuator, and Horizontal Flocculator System Rebuilds
- Chemical Feed Line Replacement
- Chemical Building Improvements
- Electrical Upgrades
- Low Service Pumps, Transfer Pumps, High Service Pumps, and VFDs
- Intake Bypass Pumping Improvements
- Tank Projects

Distribution System Projects:

- West Booster Station Rehabilitation
- South Central Booster Station Rehabilitation
- South and West Storage Tank Engineering and Rehabilitation
- SE SW Redbud Storage Tank Engineering and Rehabilitation

Other Projects:

- Watermain projects
- New service center and maintenance buildings to be used by City of Bloomington Utilities department, including, but not limited to, the demolition of the existing buildings at the Winston Thomas property, the design, engineering, construction and equipping of a new service center and maintenance facility buildings and any other costs or equipment related thereto

EXHIBIT B

R-__

[FORM OF REGISTERED BOND]

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BOND OF 20__, SERIES __

Interest Rate	Maturity Date	Original Date	Date of Authentication	[CUSIP]
__%	_______ 1, 20__	_____ __, 20__	_____ __, 20__	[______]

REGISTERED OWNER: ________________________

PRINCIPAL AMOUNT: ______________________________ Dollars ($____________)

The City of Bloomington, in Monroe County, State of Indiana, (the "City") for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above as evidenced by the records of the registered owner making payments for this bond, or its assigns, on the Maturity Date specified above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is paid upon redemption or at maturity, at the Interest Rate per annum specified above and from the interest payment date to which interest has been paid or duly provided for next preceding the Date of Authentication of this bond as shown above (unless this bond is authenticated after the fifteenth day of the month immediately preceding an interest payment date (the "Record Date") and on or before the next 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/June] 15, 20__, in which case it shall bear interest from the Original Date specified above), with such interest payable semiannually on January 1 and July 1 of each year, commencing [January/July] 1, 20__. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this Bond are payable upon the surrender thereof at the principal office of _________________ (the "Registrar" or the "Paying Agent") in the

___________, ____________. 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 as of the Record Date at the address as it appears on the registrations books kept by the Registrar. Each Registered Owner of $1,000,000 or more in principal amount of the Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of, and premium, if any, on the Bonds (as hereinafter defined) 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.

This bond is one of an authorized series of bonds of like date, tenor and effect, except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating ______________________________________ Dollars ($_________), numbered and lettered consecutively from __R-1 upward (the "Bonds"), issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the waterworks of the City, [fund a debt service reserve fund/pay the premium on a debt service reserve surety policy] and pay the costs of issuance of the Bonds. This Bond is issued pursuant to an ordinance adopted by the Common Council of the City on the ____day of _____, 2025, entitled "An Ordinance Authorizing the Acquisition, Construction and Installation by the City of Bloomington, Indiana, of Certain Extensions and Improvements to the City's Waterworks Utility, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation and Distribution of the Revenues of Such Waterworks and Other Related Matters" (the "Ordinance"), and in accordance with the provisions of Indiana law, including, without limitation, Indiana Code 8-1.5, as amended (the "Act").

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this Bond, the Outstanding Parity Bonds (as defined in the Ordinance), and any bonds hereafter issued on a parity therewith are payable solely from the Waterworks Sinking Fund (the "Sinking Fund") maintained under the Ordinance to be funded from the Net Revenues (herein defined as the gross revenues of the Waterworks (defined as the City's Waterworks 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, after deduction only for the payment of the reasonable expenses of operation and maintenance of the System).

The City irrevocably pledges the entire Net Revenues of the Waterworks deposited into the Sinking Fund to the prompt payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any bonds ranking on a parity therewith to the extent necessary for such purposes, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the Waterworks as are sufficient in each year for the payment of the proper and reasonable expenses of operation and maintenance of the Waterworks 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 shall 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 Waterworks and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The City further covenants that for so long as the Bonds, the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith (the "Additional Parity Bonds") remain outstanding, it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues of the Waterworks for the payment of (a) the interest on all bonds payable from the revenues of the Waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, (c) the principal of all bonds payable from the revenues of the Waterworks, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the Waterworks. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

[Insert optional redemption terms, if applicable].

[The bonds maturing on ________ 1, ___ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Date	Amount
*	

*Final Maturity]

[Each Five Thousand Dollars ($5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed shall be selected by lot by the Registrar.]

Notice of such redemption shall be mailed to the address of the registered owners of the Bonds to be redeemed as shown on the registration records of the City not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, unless the notice is waived by the registered owner of the Bonds to be redeemed. 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 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 the Ordinance and shall not be deemed to be outstanding thereunder.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the Registered Owner shall look only to the funds so deposited in trust 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 designated corporate trust operations office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner, or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or to the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. 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 and interest and premium, if any, 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 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.

The Bonds are issuable only in fully registered form in the denomination of [$5,000] or any integral multiple thereof.

[A Continuing Disclosure Contract from the City to each registered owner or holder of any Bond, dated as of the date of initial issuance of the Bonds (the "Contract"), has been executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Contract contains certain promises of the City to each registered owner or holder of any Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Contract and to the exchange of such payment and acceptance for such promises.]

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 the

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

CITY OF BLOOMINGTON

____
Mayor

(Seal)

ATTEST:

____
Controller

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds issued and delivered pursuant to the provisions of the within-mentioned Ordinance.

[______________________________]

By______________________________
Authorized Representative

DMS 48670118.4

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ________________________________ (insert name and address) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.
Dated: ______________________

____
NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

____
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.