

ORDINANCE NO. 2026-3

AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING BY THE TOWN OF LYNNVILLE, INDIANA, OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE TOWN'S SEWAGE WORKS, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND SALE OF SUCH BONDS, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SEWAGE WORKS AND OTHER RELATED MATTERS

WHEREAS, the Town of Lynnville, Indiana (the "Town") has heretofore established and constructed and currently owns and operates a sewage works by and through its Town Council (the "Town Council") for the collection and treatment of sewage and other wastes (the "Sewage Works"), pursuant to the provisions of Indiana Code 36-9-23, as amended (the "Act"); and

WHEREAS, the Town Council hereby finds that certain improvements and extensions to the Sewage Works are necessary; and Commonwealth Engineers, Inc., of Evansville, Indiana, the consulting engineers employed by the Town (the "Consulting Engineers"), have prepared and filed plans, specifications and detailed descriptions and estimates of the costs of the necessary improvements and extensions to the Sewage Works, which plans, specifications, descriptions and estimates, to the extent required by law, have been duly submitted to and approved or will be approved by all governmental authorities having jurisdiction thereover (the improvements and extensions to the Sewage Works as described in the Consulting Engineers' plans and specifications and below in Section 2 hereof are referred to herein as the "Project"), including, without limitation, the Indiana Department of Environmental Management (the "Department"); and

WHEREAS, the Town Council further finds that the estimates prepared and delivered by the Consulting Engineers with respect to the costs (as described in Indiana Code 36-9-23-11) of acquisition, construction, installation and equipping of such improvements and extensions to the Sewage Works (as defined in Indiana Code 36-9-1-8, as amended, and in the Act), and including all authorized costs relating thereto, including the costs of issuance of bonds and, if necessary, bond anticipation notes (the "BANs") on account of the financing thereof, will be in the estimated amount not to exceed Three Million Dollars (\$3,000,000); and

WHEREAS, the Town desires to authorize the issuance of the BANs, if necessary, to provide interim financing of the Project in the maximum aggregate principal amount not to exceed Eight Hundred Thousand Dollars (\$800,000) and the issuance of sewage works revenue bonds, in one or more series, payable from the Net Revenues (as hereinafter defined) of the Sewage Works, in the maximum aggregate principal amount of Three Million Dollars (\$3,000,000) issued to finance the aforementioned costs of the Project and to refund the BANs, if issued; and

WHEREAS, pursuant to certain ordinances previously adopted by the Town Council (collectively, the "Prior Ordinances"), the Town has heretofore issued certain series of its sewage works revenue bonds payable from the Net Revenues, which currently remain outstanding (collectively, the "Prior Bonds"); and

WHEREAS, the Prior Ordinances permit the issuance of additional bonds ranking on a parity with the outstanding Prior Bonds, provided that certain conditions can be met, and the Town finds that the finances of the Sewage Works will enable the Town to meet the conditions for the issuance of additional parity bonds and that, accordingly, the revenue bonds authorized

herein shall constitute a first charge on the Net Revenues of the Sewage Works, on a parity with the Prior Bonds; and

WHEREAS, other than the Prior Bonds, the Town does not have any outstanding bonds, pledges or obligations payable from the Net Revenues of the Sewage Works; and

WHEREAS, the Town Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of one or more series of revenue bonds and BANs, if necessary, to provide the necessary funds to be applied to the costs of the Project and all authorized costs relating thereto, and the refunding of the BANs, if issued, have been complied with in accordance with the provisions of the Prior Ordinances, the Act and other applicable laws; and

WHEREAS, the Town Council consequently seeks to authorize the issuance of revenue bonds and BANs to finance the acquisition, construction, installation and equipping of the Project pursuant to the Act and other applicable laws and the sale of such revenue bonds to the Indiana Bond Bank (the "Bond Bank") pursuant to the provisions of Indiana Code 5-1.5, the Indiana Finance Authority (the "Authority") pursuant to the provisions of Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5, the United States of America through the loan program operated by Rural Development, an agency of the United States Department of Agriculture ("Rural Development"), pursuant to the provisions of Indiana Code 5-1-11-1(c), by private, negotiated sale, or at public sale pursuant to the provisions of Indiana Code 5-1-11, and the sale of such BANs pursuant to the provisions of the Act and other applicable laws, subject to and dependent upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LYNNVILLE, INDIANA, AS FOLLOWS:

Section 1. Acquisition, Construction, Installation and Equipping of the Project. The Town, acting by and through the Town Council and as the owner and operator of the Sewage Works for the collection and treatment of sewage and other wastes, hereby orders, authorizes and directs the Town Council to acquire any and all necessary property and to proceed with the acquisition, construction, installation and equipping of improvements and extensions to the Sewage Works, pursuant to the Act and in accordance with the plans, specifications and cost estimates heretofore prepared and filed with the Town Council by the Consulting Engineers, which plans, specifications and cost estimates are hereby adopted and approved and, by reference, incorporated fully into this Ordinance, and two copies of which are now on file in the office of the Clerk-Treasurer of the Town (the "Clerk-Treasurer") and are open for public inspection. The actions of the Town Council in connection with the acquisition of any and all necessary property and the acquisition, construction, installation, equipping and financing of such improvements and extensions to the Sewage Works are hereby authorized, approved, ratified and confirmed.

Where used in this Ordinance, the term "Town" shall be construed also to include any department, board, commission or officer or officers of the Town or of any Town department, board or commission. The terms "Sewage Works," "sewage works," "works" and similar terms used in this Ordinance shall be construed to mean and include the existing structures and property of the Sewage Works, and all enlargements, improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired, whether from the proceeds of the bonds and BANs authorized herein or otherwise. Such improvements and

extensions shall be constructed and the bonds and BANs herein authorized shall be issued pursuant to the provisions of this Ordinance, the Act and other applicable laws.

Section 2. Description of the Project. The Project consists of the acquisition, construction, installation and equipping of certain improvements and extension to the sewage works, as more particularly described in Appendix B attached hereto.

The Town, acting by and through the Town Council, shall proceed with the acquisition, construction, installation and equipping of the Project and shall enter into all contracts necessary or appropriate for such purpose, in conformity with and subject to the requirements and conditions set forth in this Ordinance and in the Act.

Section 3. The Bonds. In accordance with the Act and for the purpose of providing funds with which to pay the costs of the Project, together with all authorized costs relating thereto, including the costs of issuance of the Bonds, as hereinafter defined, on account thereof, and refunding the BANs, if any, described below, the Town shall issue its sewage works revenue bonds, in one or more series, in an aggregate principal amount not to exceed Three Million Dollars (\$3,000,000) (the "Bonds"). The principal of and redemption premium, if any, and interest on the Bonds shall be payable solely out of the Sewage Works Sinking Fund referred to below, on a parity basis with the Prior Bonds and any Future Parity Bonds (as hereinafter defined).

Any other provisions of this Ordinance to the contrary notwithstanding, the Bonds shall be issued on a parity with the Prior Bonds, and none of the provisions of this Ordinance shall be construed to affect the rights of the holders of the Prior Bonds. The Clerk-Treasurer is authorized to employ Therber Brock & Associates LLP (the "Municipal Advisor") or any other certified public accountant or firm of certified public accountants to perform any and all

computations necessary to confirm the preliminary evidence and findings demonstrating compliance with the conditions set forth in the Prior Ordinances for the issuance of additional revenue bonds on parity with the Prior Bonds. The Town shall not issue the Bonds without first receiving a certificate from the Municipal Advisor or other certified public accountant or firm of certified public accountants in form and substance satisfactory to the Clerk-Treasurer and Faegre Drinker Biddle & Reath LLP, Indianapolis, Indiana, bond counsel for the Town, and to the effect that the Town and the Sewage Works are in complete compliance with the conditions set forth in the Prior Ordinances for the issuance of additional revenue bonds on parity with the Prior Bonds.

Each series of the Bonds shall be designated as the "Town of Lynnville, Indiana, Sewage Works Revenue Bonds of 20___" (with the blank to be filled in with the last two digits of the calendar year in which such series of the Bonds is issued, with an appropriate series designation in the event more than one series of Bonds is expected to be issued in such calendar year). Each series of the Bonds shall be issued as fully registered bonds in denomination or denominations of One Thousand Dollars (\$1,000) and any integral multiples thereof not exceeding the aggregate principal amount of such Bonds maturing in any one year, or in denominations of One Hundred Thousand Dollars (\$100,000) and integral multiples of One Thousand Dollars (\$1,000) in excess thereof, or in the event that any series of the Bonds is sold to the Bond Bank, the Authority or Rural Development pursuant to Section 9 hereof, the Bonds of such series shall be in multiples of One Dollar (\$1) or such other denomination as is acceptable to the Bond Bank, the Authority or Rural Development, as applicable. The Bonds shall be numbered consecutively from __R-1 upward (with the blank to be filled in with the last two digits of the calendar year in which such series of the Bonds is issued, with an appropriate series designation in the event more than one series of Bonds is expected to be issued in such calendar year). The Bonds shall bear interest at a

rate or rates not exceeding six percent (6.0%) per annum (or at the rate provided in the QE Purchase Agreement (as hereinafter defined) with respect to any series of the Bonds that is sold to the Bond Bank, or as provided in the Financial Assistance Agreement (as hereinafter defined) with respect to any series of the Bonds that is sold to the Authority), the exact rate or rates to be determined by negotiation with the Bond Bank, the Authority, Rural Development or other purchaser or underwriter, or by bidding. Said interest rate or rates on the Bonds shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Interest on each series of the Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year (or on the basis of a three hundred sixty-five (365)-day year, if Rural Development is the purchaser of such series of the Bonds) and shall be payable semiannually on January 1 and July 1 of each year (or, at the discretion of the Clerk-Treasurer with the advice of the Municipal Advisor, or to the extent required by the Prior Ordinances, annually on January 1 of each year) (each, an "Interest Payment Date"), commencing on the first January 1 (or, if applicable, July 1) subsequent to the issuance of such series of the Bonds, or such later date as may be determined (i) by the Clerk-Treasurer, with the advice of the Municipal Advisor, if such series of the Bonds is sold by public bidding; or (ii) by negotiation with the purchaser or underwriter thereof, the Bond Bank or the Authority (if the latter, as provided in the Financial Assistance Agreement between the Town and the Authority (the "Financial Assistance Agreement") with respect to such series of the Bonds), until principal is fully paid. The principal of each series of the Bonds shall mature annually on January 1 of each year, commencing not earlier than January 1, 2027 (or commencing on such other date as provided in the Financial Assistance Agreement, if such series of the Bonds is sold to the Authority), and ending not later than forty (40) years after the date of issuance of such series of the Bonds. The Bonds will

mature in such amounts that will produce, on an aggregate basis, as level annual debt service as practicable, except as otherwise provided in the Financial Assistance Agreement if the Bonds are sold to the Authority, and in the years and amounts to be determined by negotiation with the Bond Bank, the Authority, Rural Development or other purchaser or underwriter thereof, or by the Clerk-Treasurer with the advice of the Municipal Advisor, if the Bonds are sold by public bidding. With respect to any series of Bonds sold to Rural Development, no balloon payments on such Bonds shall be permitted.

The Bonds shall bear an original issue date which shall be the date of delivery of the Bonds or the first day of the month in which the Bonds are delivered, as determined by the Clerk-Treasurer (unless otherwise provided in the QE Purchase Agreement in the event the Bonds are sold to the Bond Bank or unless otherwise provided in the Financial Assistance Agreement in the event the Bonds are sold to the Authority), and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the fifteenth day of the calendar month immediately preceding the first Interest Payment Date shall pay interest from its original issue date (unless otherwise provided in (i) the QE Purchase Agreement or (ii) the Financial Assistance Agreement, in the event the Bonds are sold to the Bond Bank or the Authority, respectively). 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 day of the calendar month immediately preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

In the event that the Bonds or the BANs of any series are sold to the Authority, Rural Development or any other purchaser who so agrees pursuant to Section 9 of this Ordinance, it is

understood that the Town may receive payments for such series of the Bonds or the BANs in multiple draws or installments and, in such event, principal shall not be payable and interest shall not accrue on such series of the Bonds or the BANs until such principal amount has been advanced pursuant to requests made by the Town to the Authority, Rural Development or any such other purchaser, with advances to be allocable to the Bonds in order of maturity or the principal installment payments to be made by the Town. If the Bonds of any series are sold to the Authority, to the extent that (a) the total principal amount of such series of the Bonds is not paid by the purchaser or drawn down by the Town or (b) proceeds remain in the Construction Account established under Section 10 of this Ordinance and are not applied to the Project (or any modifications or additions thereto approved by the Department and the Authority), the Town shall reduce the principal amount of such Bonds' maturities to effect such reduction in a manner that will still achieve as level an annual debt service as practicable as described in this Section 3 subject to and upon the terms set forth in the Financial Assistance Agreement. If the Bonds or the BANs of any series are sold to Rural Development, in the event that the total principal amount of any series of the Bonds or the BANs is not advanced to the Town, the principal amount of such series of the Bonds or the BANs shall be reduced accordingly in inverse order of such principal installment payments.

The Clerk-Treasurer is hereby authorized to appoint a registrar and a paying agent for any series of the Bonds or the BANs (the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"). The Registrar and Paying Agent shall be charged with and shall by appropriate agreement undertake the performance of all of the duties and responsibilities customarily associated with each such position, including, without limitation, the authentication of the Bonds and the BANs. The Clerk-Treasurer is authorized and directed to

enter into such agreements and understandings with the Registrar and Paying Agent and any subsequent Registrar and Paying Agent as will enable and facilitate the performance of its duties and responsibilities, and is authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, and such fees may be paid from the Sewage Works Sinking Fund previously established and continued herein.

If the Bonds or the BANs are registered in the name of the Authority, the Bond Bank, Rural Development or any other purchaser that does not object to such designation, the Clerk-Treasurer shall be designated as the Registrar and Paying Agent and shall be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

The Registrar and Paying Agent, if not the Clerk-Treasurer, may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the Town and by first-class mail to each registered owner of the Bonds or the BANs 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 Town. Any such notice to the Town 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 Town, in which event the Town may appoint a successor Registrar and Paying Agent. The Town shall notify each registered owner of the Bonds or the BANs then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds or the BANs 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 or the BANs and cash in its possession with respect thereto, together with the registration books, to the successor Registrar and Paying Agent. The Clerk-

Treasurer is hereby authorized to act on behalf of the Town with regard to any of the aforementioned actions of the Town relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent.

Principal of and any redemption premium on the Bonds, and principal and interest on the BANs, shall be payable at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the fifteenth day of the calendar month immediately preceding the Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. 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 or the BANs, the principal of and premium, if any, and interest on such series of the Bonds or the BANs will be paid directly to DTC or successor depository by wire transfer on the payment date in same-day funds by the Paying Agent. Notwithstanding the foregoing, principal of and premium, if any, and interest on the Bonds or the BANs, if registered in the name of the Authority or the Bond Bank, shall be paid by wire transfer to a financial institution if and as directed by the Authority or the Bond Bank, as the case may be, on the due date of such payment or, if such date is a day when financial institutions are not open for business, on the business day immediately preceding such due date. Notwithstanding the foregoing, in the event any series of the Bonds or the BANs is sold to Rural Development, principal of and premium, if any, and interest on such series of the Bonds or the BANs shall be payable in the manner directed by Rural Development. So long as the Authority, the Bond Bank or Rural Development is the registered owner of the Bonds or the BANs, the Bonds or the BANs

shall be presented for payment as directed by the Authority, the Bond Bank or Rural Development, as applicable. All payments on the Bonds and the BANs 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 or BAN shall be transferable or exchangeable only on the books of the Town maintained for such purpose at the principal 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 or BAN 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 or BAN or BANs in the same aggregate principal amount and of the same maturity and series 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 or BAN may be transferred or exchanged without cost to the registered owner, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any Bond or BAN (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond or BAN for redemption. The Town, the Registrar and the Paying Agent may treat and consider the person in whose name any Bond or BAN 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 or BAN is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new Bond or BAN of like date,

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

In the event that any Bond or BAN is not presented for payment or redemption on the date established therefor, the Town may deposit in trust with the Paying Agent an amount sufficient to pay such Bond or BAN or the redemption price thereof, as appropriate, and thereafter the owner of such Bond or BAN shall look only to the funds so deposited in trust with

the Paying Agent for payment and the Town shall have no further obligation or liability with respect thereto.

Any series of the Bonds or the BANs may, in compliance with all applicable laws, be issued and held in book-entry form on the books of the central depository system, DTC, its successors, or any successor central depository system appointed by the Town from time to time (the "Clearing Agency"). The Town and the Registrar may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of such series of the Bonds or the BANs, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds or BANs.

During any time that a series of the Bonds or the BANs is held in book-entry form on the books of a Clearing Agency (a) any such Bonds or BANs may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including Cede & Co., as nominee of DTC; (b) the Clearing Agency in whose name such Bonds or BANs are so registered shall be, and the Town and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bonds or BANs for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and premium, if any, and interest on such Bonds or BANs, the receiving of notice, and the giving of consent; (c) neither the Town nor the Registrar and 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 Bonds or BANs, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bonds or BANs or any responsibility or

obligation hereunder with respect to the receiving of payment of principal of or premium, if any, or interest on any Bonds or BANs, the receiving of notice, or the giving of consent; (d) the Clearing Agency is not required to present any Bonds or BANs called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption; and (e) payment of the principal of and premium, if any, and interest on any Bonds or BANs may be made by wire transfer or other method acceptable to the Clearing Agency, as indicated in a Certificate of the Clerk-Treasurer to such effect.

If either (i) the Town receives notice from the Clearing Agency which is currently the registered owner of any series of the Bonds or the BANs to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for such Bonds or BANs or (ii) the Town elects to discontinue its use of such Clearing Agency as a Clearing Agency for such Bonds or BANs, then the Town 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 such Bonds or BANs, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for such Bonds or BANs and to transfer the ownership of each of such Bonds or BANs to such person or persons, including any other Clearing Agency, as the holder of such Bonds or BANs may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence such Bonds or BANs, shall be paid by the Town.

During any time that any series of the Bonds or the BANs is held in book-entry form on the books of a Clearing Agency, the Registrar and Paying Agent shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any

participant or indirect participant with respect to the identity of any beneficial owners of such Bonds or BANs as of a record date selected by the Registrar and Paying Agent. For purposes of determining whether the consent, advice, direction or demand of a registered owner of such Bonds or BANs has been obtained, the Registrar and Paying Agent shall be entitled to treat the beneficial owners of such Bonds or BANs as the holders of such Bonds or BANs.

During any time that any series of the Bonds or the BANs is held in book-entry form on the books of a Clearing Agency, the Town is authorized to enter into a Blanket Letter of Representations agreement with the Clearing Agency, and the provisions of any such Blanket Letter of Representations or any successor agreement shall control on the matters set forth herein.

Section 4. The BANs. In anticipation of the issuance and sale of the Bonds authorized herein, and to provide interim financing to apply to the costs of the Project, the Town is hereby authorized to have prepared and to issue and sell negotiable BANs of the Town to an eligible purchaser of the BANs under Indiana Code 5-1-14-5, the Bond Bank, the Authority or Rural Development, pursuant to a Bond Anticipation Note Purchase Agreement (the "BAN Purchase Agreement") entered into between the Town and the purchaser of the BANs, in one or more series, in an aggregate principal amount not to exceed Eight Hundred Thousand Dollars (\$800,000), to be designated "Town of Lynnville, Indiana, Sewage Works Revenue Bond Anticipation Notes of 20___" (with the blank to be filled in with the last two digits of the calendar year in which such series of the BANs is issued, with an appropriate series designation in the event more than one series of BANs is expected to be issued in such calendar year). The BANs shall be issued pursuant to Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5 if

sold to the Authority, pursuant to Indiana Code 5-1.5-8-6.1 if sold to the Bond Bank, or pursuant to Indiana Code 5-1-14-5 if sold to an eligible purchaser thereunder. If the BANs are sold to the Authority, the Financial Assistance Agreement shall serve as the BAN Purchase Agreement. The BANs shall be issued in fully registered form, shall be numbered consecutively from ___R-1 (with the blank to be filled in with the last two digits of the calendar year in which such series of the BANs is issued, with an appropriate series designation in the event more than one series of BANs is expected to be issued in such calendar year) upwards, shall be issued in denominations of One Dollar (\$1) or integral multiples thereof (or, if the BANs are purchased by the Bond Bank, the Authority or Rural Development, such other denomination or denominations acceptable to the Bond Bank, the Authority or Rural Development), shall be dated as of the date of issuance of the BANs, and shall bear interest at a rate or rates not exceeding five percent (5.0%) per annum (or at such rate as provided in the QE Purchase Agreement if the BANs are sold to the Bond Bank or as provided in the Financial Assistance Agreement if the BANs are sold to the Authority), the exact rate or rates of interest to be determined by negotiations with the purchaser of the BANs and payable as provided in the BAN Purchase Agreement. The initial BANs delivered will mature on the date provided in the BAN Purchase Agreement. The BANs may be subject to renewal or extension, subject to the limitations set forth below, at an interest rate or rates not to exceed five percent (5.0%) per annum (or at such rate as provided in the QE Purchase Agreement if the BANs are sold to the Bond Bank or as provided in the Financial Assistance Agreement if the BANs are sold to the Authority) with the exact rate or rates to be negotiated with the purchaser of such BANs. The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs.

The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale hereunder of the Bonds. The principal of the BANs, and the principal of and interest on the BANs prepaid in accordance with Section 5 hereof, shall be refunded by the issuance of the Bonds pursuant to, and in the manner prescribed by, the Act. The Town may also use other revenues or funds of the Town legally available therefor, if any, including amounts available to the Town out of federal or state funds available for application to the Project, for payment of the principal of the BANs; provided, however, that no funds other than proceeds from the issuance and sale of the Bonds, if and when issued, are pledged to the payment of principal of the BANs. The interest on the BANs shall be payable either from the Net Revenues of the Sewage Works, subject to the prior lien thereon of the Prior Bonds, or from proceeds from the issuance and sale hereunder of the Bonds.

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

Notwithstanding any other provision of this Ordinance, if the BANs are sold to Rural Development or any other purchaser that so agrees, the Town may receive payment for the BANs in installments and, in such event, 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 Town to Rural Development or such other purchaser. In the event that the total principal amount of the BANs sold to Rural Development or such other purchaser is not advanced to the Town, the principal amount of the BANs sold to Rural Development or such other purchaser shall be reduced accordingly.

Section 5. Optional Prepayment of BANs; Optional Redemption of the Bonds; Term

Bonds. (a) Optional Prepayment of BANs. The BANs are prepayable by the Town, in whole or in part, upon such terms as determined by the Clerk-Treasurer based on the advice of the Municipal Advisor, to be set forth in a written certificate of the Clerk-Treasurer prior to the issuance of the BANs, upon at least seven (7) days' written notice to the owner of the BANs, without any premium (or upon such other terms as determined by the Clerk-Treasurer as reflected in the BAN Purchase Agreement). 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, if any, including federal or state funds available for application to the Project; provided, however, that such funds are not pledged to the payment of the BANs.

(b) Optional Redemption of the Bonds. Any Bonds sold to Rural Development shall be subject to redemption at the option of the Town, in whole or in part, upon at least thirty (30) days' written notice to the registered owner or owners of Bonds to be redeemed, on any date, in order of maturity selected by the Town and by lot within any such maturity or maturities by the Registrar, at a redemption price of one hundred percent (100%) of the principal amount of each Bond to be redeemed, plus accrued interest to the redemption date.

With respect to any series of the Bonds sold to a purchaser other than Rural Development, such Bonds shall be subject to redemption at the option of the Town, upon such terms as determined by the Clerk-Treasurer based on the advice of the Municipal Advisor, to be set forth in a written certificate of the Clerk-Treasurer prior to the issuance of such series of the Bonds, provided that the redemption premium shall not exceed two percent (2%) of the par amount of the Bonds to be redeemed. For any Bonds sold to the Authority as part of its IFA

Program, such Bonds are redeemable at the option of the Town, but no sooner than ten (10) years after their date of delivery, or any date thereafter, in whole or in part, in inverse order of maturity, and by lot within a maturity; provided, however, if any Bonds are sold to the IFA Program and registered in the name of the Authority, such Bonds shall not be redeemable at the option of the Town unless and until consented by the Authority.

Official notice of such redemption of the Bonds shall be mailed by the Registrar and Paying Agent by first-class mail at least thirty (30) days (or, at least sixty (60) days, with respect to any series of the Bonds sold to the Authority) prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the Bonds called for redemption. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Town. Interest on the Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Bonds (or portions thereof) are presented for payment. Any Bond redeemed in part may be exchanged for a Bond or Bonds of the same maturity in authorized denominations equal to the remaining principal amount thereof.

In addition to the foregoing notice, the Town may also direct that further notice of redemption of Bonds be given, including, without limitation, and at the option of the Town, notice described in paragraph (i) below given by the Registrar and Paying Agent to the parties described in paragraphs (ii) and (iii) 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.

(i) If so directed by the Town, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) If so directed by the Town, each further notice of redemption shall be sent at least thirty-five (35) 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 and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(iii) If so directed by the Town, each such further notice shall be published one time in The Bond Buyer of New York, New York or, if the Registrar believes such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of

redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

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

(c) Term Bonds. All or a portion of the Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities of January 1 in the years consistent with the maturity schedule for the Bonds, and shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on January 1 of the years and in the principal amounts consistent with the maturity schedule for the Bonds.

The Registrar and Paying Agent shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any Bonds of such maturity delivered to the Registrar and Paying Agent for cancellation or purchased for cancellation by the Town and canceled by the Registrar and Paying Agent and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond so delivered or purchased shall be credited by the Registrar and Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in inverse order of mandatory sinking fund redemption (or final maturity) dates, and the principal amount of such Term Bond to be redeemed on such mandatory sinking

fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly; provided, however, the Registrar and Paying Agent shall only credit Bonds against the mandatory sinking fund requirements to the extent such Bonds are received on or before forty-five (45) days preceding the applicable mandatory sinking fund redemption date.

The Registrar shall determine by lot (treating each \$1,000 (or other authorized denomination) principal amount of each Bond as a separate Bond for such purpose) the Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on January 1 of each year. With respect to optional redemption of Term Bonds, an amount equal to the principal amount of the Term Bonds redeemed will be credited toward the latest scheduled mandatory sinking fund payment or payments with respect to such Term Bonds unless otherwise directed by the Town.

Notice of any such mandatory sinking fund redemption shall be given in the same manner as notice of optional redemption is required to be given pursuant to this Section 5. In the event any of the Bonds are issued as Term Bonds, the form of Bond described in Section 8 hereof shall be modified accordingly. Any reference to payment of principal on Bonds shall include payment of scheduled mandatory sinking fund redemption payments

Section 6. Execution and Authentication of the Bonds and BANs. The Bonds and the BANs shall be executed in the name of the Town by the manual or facsimile signature of the President of the Town Council (the "Town Council President") and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall cause the seal, if any, of the Town or a facsimile thereof to be affixed to each of the Bonds and the BANs. The Bonds and the BANs shall be authenticated by the manual signature of the Registrar, and no Bond or BAN shall be valid or become obligatory for any purpose until the certificate of authentication thereon has

been so executed. In case any official whose signature appears on any Bond or BAN shall cease to be such official before the delivery of such Bond or BAN, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Bonds and BANs, the Bonds and BANs shall be fully negotiable instruments under the laws of the State of Indiana.

Section 7. Security and Sources of Payment for the Bonds. The Bonds, as and to the extent paid for and delivered to the purchaser or purchasers thereof, together with the Prior Bonds and any Future Parity Bonds (to be referred to hereinafter collectively as the "bonds," unless the context otherwise requires), as to both principal and interest, shall be valid and binding special and limited revenue obligations of the Town, payable solely from and secured by an irrevocable pledge of and constituting a charge upon all of the "Net Revenues" (herein defined as gross revenues after the deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the Sewage Works, including all such Net Revenues from the existing works, the Project and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside into the Sewage Works Sinking Fund as herein provided. The Bonds shall rank on a parity basis with the Prior Bonds. The Town shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Sewage Works, and the Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 8. Form of the Bonds. The form and tenor of the Bonds shall be substantially as set forth in Appendix A attached hereto and incorporated herein as if set forth at this place (with

all blanks to be filled in properly and all necessary additions, modifications and deletions to be made prior to the delivery thereof).

Section 9. Issuance, Sale and Delivery of the Bonds and the BANs. (a) Generally. The Clerk-Treasurer is hereby authorized and directed to have the Bonds and the BANs prepared, and the Town Council President and the Clerk-Treasurer are each hereby authorized and directed to execute and attest, respectively, the Bonds and the BANs in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds and the BANs to the purchaser or purchasers thereof after sale made in accordance with the provisions of the Act and this Ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser or purchasers have agreed to pay therefor, which shall be not less than ninety-seven percent (97.0%) of the par amount of the Bonds (or such higher percentage of the par value of the Bonds as the Clerk-Treasurer, with the advice of the Municipal Advisor, shall determine), plus accrued interest thereon to the date of delivery, if any, and in the case of the BANs, shall not be less than ninety-eight percent (98.0%) of the par amount of the BANs. The Town may receive payment for the Bonds and BANs in installments. The proceeds derived from the sale of the Bonds (or the BANs, if such BANs are issued), shall be and are hereby set aside for application to the costs of the Project, including all authorized costs relating thereto, and the respective costs of issuance of the Bonds and the BANs. The authorized officers of the Town are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

(b) Issuance, Sale and Delivery of the BANs. The Town, having satisfied all the statutory requirements for the issuance of the Bonds, may elect to issue its BAN or BANs to an

eligible purchaser under Indiana Code 5-1-14-5, the Bond Bank, the Authority or Rural Development pursuant to the BAN Purchase Agreement, to be entered into between the Town and the purchaser of the BANs. The Town Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim construction financing for the Project until permanent financing becomes available. It shall not be necessary for the Town to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The Town Council President and the Clerk-Treasurer are hereby authorized and directed to execute the BAN Purchase Agreement in such form or substance as they shall approve acting upon the advice of counsel. The Town Council President and the Clerk-Treasurer may also take such other action 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.

(c) Issuance, Sale and Delivery of the Bonds. (i) Public Sale. Any series of the Bonds may, in the discretion of the Clerk-Treasurer, based upon the advice of the Municipal Advisor, be sold by public sale. In the event any series of the Bonds is sold by public sale, prior to the sale of such series of the Bonds, the Clerk-Treasurer shall cause to be published a notice of intent to sell bonds two (2) times at least one (1) week apart in at least one newspaper of general circulation published in Warrick County, Indiana, that circulates in the Town (there being no newspaper published in the Town), and the Indianapolis Business Journal, a newspaper of general circulation published in Indianapolis, Indiana. The notice of such sale or a summary thereof may also be published in The Bond Buyer, a financial journal published in the City and

State of New York and/or in other publications, in the discretion of the Clerk-Treasurer. The notice must state that any person interested in submitting a bid for such series of the Bonds may furnish in writing, at the address set forth in the notice, the person's name, address and telephone number, and that any such person may also furnish a telex number. The notice must also state: (A) the amount of the Bonds to be offered; (B) the denominations; (C) the dates of maturity; (D) the maximum rate or rates of interest; (E) the place of sale; and (F) the time within which the name, address and telephone number must be furnished, which time must not be less than seven (7) days after the last publication of the notice. Each person so registered shall be notified of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex if the person furnishes a telex number. Such notice may also include such other information as the Clerk-Treasurer shall deem necessary.

Such notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a financial surety bond from an insurance company in the amount of one percent (1%) of the principal amount of such series of the Bonds to guarantee performance on the part of the bidder; that if the Bonds are awarded to a bidder who has submitted a financial surety bond to the Town, then such bidder must submit the required amount of the good faith deposit to the Town in the form of a certified or cashier's check (or a wire transfer consisting of immediately available funds to the Town as instructed by the Town) not later than 3:30 p.m. (local time) on the next business day following the award by the Town; that if such check or wire transfer is not received by that time, the financial surety bond may be drawn upon by the Town to satisfy the deposit requirements; and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the Bonds as soon as the Bonds are

ready for delivery, or at the time fixed in the notice of intent to sell bonds, then such check and the proceeds thereof shall become the property of the Town and shall be considered as the Town's liquidated damages on account of such default.

All bids for Bonds sold at public sale shall be sealed and shall be presented to the Clerk-Treasurer at the Clerk-Treasurer's office, and the Clerk-Treasurer shall continue to receive all bids offered until the time fixed for the sale of the Bonds, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding six percent (6.0%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the series of Bonds bearing each rate, and all Bonds of a series maturing on the same date shall bear the same rate of interest. The interest rate on a series of Bonds of a given maturity must be at least as great as the interest rate on such series of Bonds of any earlier maturity. Subject to the provisions set forth below, the Clerk-Treasurer shall award the Bonds to the bidder offering the lowest net interest cost to the Town, to be determined by computing the total interest on all of the Bonds from the date thereof to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. No bid for less than ninety-seven percent (97.0%) of the par value of the Bonds (or such higher percentage of the par value of the Bonds as the Clerk-Treasurer, with the advice of the Municipal Advisor, shall determine prior to the publication of the notice of intent to sell), plus accrued interest at the rate or rates named to the date of delivery, will be considered. The Clerk-Treasurer shall have full right to reject any and all bids. In the event no acceptable bid is received at the time fixed for the sale of the Bonds, the Clerk-Treasurer shall be authorized to continue to receive bids from day to

day thereafter for a period not to exceed thirty (30) days, without readvertising, pursuant to Indiana law.

The Clerk-Treasurer is hereby authorized to determine, in the Clerk-Treasurer's discretion, to sell the Bonds pursuant to the general provisions of Indiana Code 5-1-11 (rather than Section 2(b) thereof), and in the event of such a determination, those portions of this Section 9 which conflict with such provisions shall be deemed inapplicable.

(ii) Private, Negotiated Sale. Any series of the Bonds may, in the discretion of the Clerk-Treasurer, based upon the advice of the Municipal Advisor, be sold by private, negotiated sale to a purchaser or underwriter thereof, at a price not less than ninety-seven percent (97.0%) of the principal amount thereof. In such event, the President of the Town Council and/or the Clerk-Treasurer are authorized to negotiate, execute and deliver a bond purchase agreement or bond placement agreement for the purchase of the Bonds based upon the advice of the Municipal Advisor and bond counsel for the Town. The President of the Town Council and/or the Clerk-Treasurer are further authorized to carry out, on behalf of the Town, the terms and conditions set forth in such bond purchase agreement or bond placement agreement, consistent with the provisions of this Ordinance.

(iii) Sale to the Bond Bank. Any series of the Bonds may, in the discretion of the Clerk-Treasurer, based upon the advice of the Municipal Advisor, be sold to the Bond Bank. In the event of such determination, Bonds shall be sold to the Bond Bank in such denomination or denominations as the Bond Bank may request, and pursuant to a qualified entity purchase agreement (the "QE Purchase Agreement") between the Town and the Bond Bank, hereby authorized to be entered into and executed by the Town Council President on behalf of the Town, and attested by the Clerk-Treasurer, subsequent to the date of the adoption of this

Ordinance. Such QE Purchase Agreement may set forth the definitive terms and conditions for such sale, but all of such terms and conditions must be consistent with the terms and conditions of this Ordinance, including, without limitation, the interest rate or rates on the Bonds which shall not exceed the maximum rate of interest for the Bonds authorized pursuant to this Ordinance. Bonds sold to the Bond Bank shall be accompanied by all documentation required by the Bond Bank pursuant to the provisions of Indiana Code 5-1.5 and the QE Purchase Agreement, including, without limitation, an approving opinion of nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the Bonds to the Bond Bank, challenging the validity or issuance of the Bonds. In the event the Clerk-Treasurer determines to sell the Bonds to the Bond Bank, the submission of an application to the Bond Bank, the entry by the Town into the QE Purchase Agreement, and the execution and delivery of the QE Purchase Agreement on behalf of the Town by the Town Council President in accordance with this Ordinance are hereby authorized, approved and ratified.

(iv) Sale to the Authority. Any series of the Bonds may, in the discretion of the Clerk-Treasurer, based upon the advice of the Municipal Advisor, be sold to the Authority. The Town Council President and the Clerk-Treasurer are hereby authorized to submit an application to the Authority for participation in the wastewater loan program, supplemental drinking water and wastewater assistance program, water infrastructure assistance program and/or water infrastructure grant program (collectively, the "IFA Program") under Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5. The Financial Assistance Agreement for the Bonds and the Project shall be executed by the Town and the Authority. The Town Council

President and the Clerk-Treasurer are hereby authorized to execute and attest, respectively, the same on behalf of the Town. The Financial Assistance Agreement may set forth the definitive terms and conditions for such sale including the purchase price and interest rate, but all of such terms and conditions must be consistent with the terms and conditions of this Ordinance, including, without limitation, the interest rates on the Bonds which shall not exceed the maximum rate of interest for the Bonds authorized pursuant to this Ordinance. Bonds sold to the Authority shall be accompanied by all documentation required by the Authority pursuant to Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5, and the Financial Assistance Agreement, including, without limitation, an approving opinion of a nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the Bonds to the Authority, challenging the validity or issuance of the Bonds. In the event the Clerk-Treasurer determines to sell the Bonds to the Authority, the entry by the Town into the Financial Assistance Agreement, the execution of the Financial Assistance Agreement by the Town Council President, and, if required, the entry by the Town into a purchase agreement or any other agreement with the Authority and the execution thereof by the Town Council President, in accordance with this Ordinance are hereby authorized, approved and ratified.

Notwithstanding anything contained herein, the Town may accept any other forms of financial assistance, as and if available, from the IFA Program (including without limitation (1) any forgivable loans, grants or other assistance whether available as an alternative to any Bond related provision otherwise provided for herein or as a supplement or addition thereto and (2) one or more series or combination of series of Bonds and/or BANs). If required by the IFA

Program to be eligible for such financial assistance, one or more of the series of the Bonds or BANs issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of each series of Bonds and the BANs of each series of BANs issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

(v) Sale to Rural Development. Any series of the Bonds may, in the discretion of the Clerk-Treasurer, based upon the advice of the Municipal Advisor, be sold by negotiated sale to Rural Development, at a price of one hundred percent (100%) of the par value of the Bonds, plus accrued interest thereon to the date of delivery pursuant to one or more Rural Development form loan resolutions (collectively, the "Loan Resolution") to be adopted by the Town Council on or before the date of delivery of the Bonds, the terms and conditions of which are hereby incorporated by reference. The Town covenants that, in addition to the other terms and conditions applicable to the Bonds authorized by this Ordinance, if the Bonds are sold to Rural Development, it will comply with all conditions set forth by Rural Development in any Letter of Conditions, any Loan Resolution, any Loan Agreement and any Letter of Intent to Meet Conditions.

(d) Credit Enhancement; Opinion of Bond Counsel. Prior to the delivery of the Bonds and the BANs, the Clerk-Treasurer (i) shall be authorized to investigate, negotiate and obtain

bond insurance, other forms of credit enhancement and/or credit ratings on Bonds (and the BANs, if issued) and (ii) shall obtain a legal opinion as to the validity of the Bonds (and the BANs, if issued) from Faegre Drinker Biddle & Reath LLP, Indianapolis, Indiana, bond counsel for the Town, with such opinion or opinions to be furnished to the purchaser or purchasers of the Bonds or to the purchaser of the BANs at the expense of the Town. The costs of obtaining any such insurance, other credit enhancement and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion or opinions and in the performance of related services in connection with the issuance, sale and delivery of the Bonds and the BANs, shall be considered as a part of the cost of the Bonds or the BANs, as applicable, and shall be paid out of the proceeds of the Bonds and BANs, respectively.

Section 10. Disposition of Proceeds of the Bonds and BANs and Other Moneys. The proceeds from the sale of the BANs (or, if and to the extent the BANs are not issued, the Bonds) shall be deposited in a bank or banks which are legally qualified depositories for the funds of the Town, in the special account to be designated as "Town of Lynnville Sewage Works Construction Account" (the "Construction Account"). Amounts in the Construction Account shall be expended only for the purpose of paying the costs of the Project, refunding the BANs, if issued, paying the costs of issuance of the Bonds and the BANs, if the BANs are issued, or as otherwise permitted or required by the Act. Any balance or balances remaining unexpended in the Construction Account after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the acquisition, construction, installation or equipping of the Project, shall be used solely for one or more of the purposes permitted under the provisions of Indiana Code 5-1-13, as amended, or be applied upon the terms forth in the Financial Assistance Agreement in the event the Bonds are sold to the Authority.

Notwithstanding the provisions of this Section 10, if BANs are issued, then the proceeds of the Bonds relating thereto shall be used to refund the BANs or to pay additional Project costs and are hereby pledged for such purposes, and any proceeds of the Bonds remaining after the BANs have been paid in full and after completion of the Project shall be used solely for one or more of the purposes permitted under the provisions of Indiana Code 5-1-13, as amended.

If the Bonds are sold to the Authority, to the extent that (i) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the Town or (ii) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Department and the Authority), the Town shall reduce the principal amount of the Bonds' maturities to effect such reduction in a manner that will still achieve as level an annual debt service as practicable as described in Section 3 of this Ordinance subject to and upon the terms forth in the Financial Assistance Agreement.

Pursuant to the Act, the owners of the Bonds and the BANs shall be entitled to a lien on the proceeds of the Bonds and the BANs, respectively, until such proceeds are applied as required by this Ordinance and by Indiana law.

Section 11. Segregation and Application of Sewage Works Revenues. All revenues and moneys derived from the operation of the Sewage Works and from the collection of sewage rates and charges shall be deposited in a fund previously established and continued hereby and designated as the Sewage Works Revenue Fund, and shall be segregated and kept separate and apart from all other funds and bank accounts of the Town. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the Sewage Works shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid,

and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided.

On the last day of each calendar month there shall be credited from the Revenue Fund to the Sewage Works Operation and Maintenance Fund (the "Operation and Maintenance Fund") previously established and continued hereby, a sufficient amount of the revenues of the Sewage Works so that the balance in said fund shall be sufficient to pay the expenses of operation, repair and maintenance of the works for the then next succeeding two (2) calendar months. The moneys credited to this fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Sewage Works on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacements, improvements, extensions or additions. Any balance in said fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding calendar month may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal or interest on outstanding bonds of the Sewage Works.

Section 12. Sewage Works Sinking Fund. (a) There shall be deposited from the Revenue Fund into the Sewage Works Sinking Fund (the "Sinking Fund") previously established and continued hereby for the payment of the interest on and principal of revenue bonds which by their terms are payable from the Net Revenues of the Sewage Works, and the payment of any fiscal agency charges in connection with the payment of such bonds and interest thereon, a sufficient amount of the Net Revenues of said Sewage Works to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account (the "Reserve Account") previously established and continued hereby in said Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Reserve Account,

equals the principal of and interest on all of the then outstanding bonds of the Sewage Works to the final maturity thereof and provide for the payment of all fiscal agency charges.

(b) Bond and Interest Account. After making the credit to the Operation and Maintenance Fund, there shall be transferred, on or before the first day of each calendar month, from the Revenue Fund and credited to the Bond and Interest Account, an amount of the Net Revenues equal to the sum of one-tenth (1/10) of the interest and the principal payable on all then outstanding bonds of the Sewage Works payable on the then next succeeding principal and interest payment date, until the amount of interest and principal payable on the next succeeding respective 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 Bond and Interest Account any amount necessary to pay the bank fiscal agency charges, if any, for paying the principal of and interest on outstanding bonds of the Sewage Works as the same become payable. The Town shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owners of the outstanding bonds of the Sewage Works or to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of any bank fiscal agency charges.

(c) Reserve Account. On the date of delivery of each series of the Bonds or any other bonds payable from the Reserve Account, funds on hand of the Sewage Works, proceeds of the Bonds or such other bonds or a combination thereof may be deposited into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed an amount (the "Reserve Requirement") equal to the least of (i) maximum annual debt service on the Prior Bonds, the Bonds and any Future Parity Bonds payable from the Reserve Account, (ii) one

hundred twenty-five percent (125%) of average annual debt service on the Prior Bonds, the Bonds and any Future Parity Bonds payable from the Reserve Account, or (iii) ten percent (10%) of the proceeds of the Prior Bonds, the Bonds and any Future Parity Bonds payable from the Reserve Account. If the initial deposit into the Reserve Account does not equal the Reserve Requirement, or if no deposit is made, the Town shall deposit a sum of Net Revenues into the Reserve Account on the last day of each calendar month until the balance equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years (or, if the Bonds are sold to Rural Development, ten (10) years) of the date of delivery of the Bonds. The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Prior Bonds, the Bonds and any Future Parity Bonds payable from the Reserve Account, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Prior Bonds, the Bonds and any Future Parity Bonds payable from the Reserve Account to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Sewage Works Improvement Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest, and redemption premium, if any. Notwithstanding the foregoing, so long as Rural Development is the owner of the Bonds, the Reserve Requirement shall equal the maximum annual debt service on the Bonds and any other bonds payable from the Reserve Account.

In the event the Bonds are sold to the Authority, notwithstanding the foregoing, the Reserve Requirement shall be the combined maximum annual debt service on the Bonds and any Future Parity Bonds. In such event, on each January 2 subsequent to the delivery of the Bonds, beginning with the January 2 immediately succeeding completion of the Project, the Clerk-Treasurer shall decrease, if necessary, the amount on deposit in the Reserve Account so that the remaining amount on deposit equals the Reserve Requirement, provided that the Town shall provide to the Authority fifteen (15) days prior written notice of any such intended transfer from the Reserve Account. In the event additional bonds payable from the Net Revenues of the Sewage Works are hereafter issued on a parity with the Bonds (the "Future Parity Bonds"), the Reserve Requirement shall be proportionately increased to equal maximum annual debt service on the Prior Bonds, the Bonds and all Future Parity Bonds; provided, that, if nationally recognized bond counsel is unable to provide an opinion that interest on such proposed additional parity bonds is excludable from gross income for federal income tax purposes as a result of the determination of the Reserve Requirement in the manner provided in this paragraph, then the Town may, in order to allow such opinion to be issued, establish a separate reasonably required reserve fund that secures only the proposed Future Parity Bonds and shall expressly provide in the authorizing ordinance for such proposed Future Parity Bonds that the moneys deposited in the Reserve Account hereby as a margin of safety for the payment of principal of and interest on the Bonds do not secure such proposed Future Parity Bonds.

The Town may at any time and from time to time fund all or any part of the Reserve Account by depositing in the Reserve Account one or more debt service reserve surety bonds or insurance policies (each, a "Reserve Account Credit Instrument"), each of which is issued by an insurance company rated at the time of deposit in one of the two highest rating categories by

S&P Global Ratings and/or Moody's Investors Service. As long as any Reserve Account Credit Instrument is in full force and effect, any valuation of the Reserve Account shall treat the maximum amount available under such Reserve Account Credit Instrument as its value.

Prior to applying any funds held in any debt service reserve accounts securing any obligations payable out of the revenues of the sewage works of the Town to the payment of such obligation, the Town shall cause all funds held in the Sinking Fund (or any like fund or account from which debt service has been structured to be paid) to be applied in full before any such reserve accounts are so applied.

(d) Depository Agreements. If the Bonds are sold to the Authority as part of its IFA Program, the Sinking Fund, containing the Bond and Interest Account and the Reserve Account, and/or the Construction Account may be held by a financial institution acceptable to the Authority, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the Town shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Reserve Account, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the Town's outstanding bonds. The financial institution selected to serve in this role may also serve as the Registrar and Paying Agent for any series of the Bonds. If the Construction Account is so held in trust, the Town shall deposit the proceeds of the Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Town Council hereby authorizes the Town Council President and Clerk-Treasurer to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sinking Fund and/or the Construction Account, in the form of trust

agreement as approved by the Town Council President and the Clerk-Treasurer, consistent with the terms and provisions of this Ordinance.

Section 13. Sewage Works Improvement Fund. On the last day of each calendar month, after meeting the requirements for operation, repair and maintenance, and the Sinking Fund, all available Net Revenues shall be credited to the Sewage Works Improvement Fund (the "Improvement Fund") previously established and continued hereby. Said fund shall be used for improvements, replacements, additions and extensions of the Sewage Works, or for any other lawful purpose (including, without limitation, transfers to the general fund of the Town representing payments in lieu of property taxes). Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or if necessary to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund. Moneys in the Improvement Fund also may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the Sewage Works.

Section 14. Investment of Funds. All of the amounts in the funds and accounts created and/or continued pursuant to this Ordinance shall be deposited in lawful depositories of the State of Indiana, and shall be continuously held and secured or invested as provided by the laws of the State of Indiana relating to the depositing, securing, holding and investing of public funds, including particularly Indiana Code 5-13, as amended and supplemented. The amounts in the Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other bank accounts of the Town, including, without limitation, any funds or accounts relative to any other utility of the Town beyond the Sewage Works. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account, or accounts, but such account

or accounts shall likewise be maintained separate and apart from all other bank accounts of the Town and apart from the Sinking Fund account or accounts (including, without limitation, any funds or accounts relative to any other utility of the Town beyond the Sewage Works). In no event shall any of the Net Revenues of the Sewage Works be transferred or used for any purpose not authorized by this Ordinance so long as any of the bonds of the Sewage Works issued pursuant to the provisions of this Ordinance shall be outstanding. Investment income earned on moneys in the funds and accounts established by this Ordinance shall become a part of the funds and accounts invested (except as otherwise provided in Section 12 hereof) and shall be used only as provided in this Ordinance and the Prior Ordinances. Nothing in this Section 14 or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts continued by this Ordinance except that (a) the Sinking Fund and Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the Sewage Works and (b) the other Funds and Accounts of the Sewage Works shall be maintained as a separate bank account from the other funds and accounts of the Town, including, without limitation, any other funds and accounts for any other utility of the Town beyond the Sewage Works.

Section 15. Books of Record and Accounts. The Town shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and deposited in said funds, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sinking Fund, and all other financial transactions relating to said works. There shall be prepared and furnished, upon written request, to any owner of the Bonds or BANs at the time then outstanding, not more than ninety (90) days after the close of each

fiscal year, complete financial statements of the works, covering the preceding fiscal year. There shall be furnished, upon request, to any owner of the Bonds or BANs, the most recent audit report of the Sewage Works system prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of the Bonds or BANs then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the Town relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

If the Bonds or BANs are sold to the Bond Bank or the Authority, the Town shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Sewage Works in accordance with (i) generally accepted accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board, and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 16. Rates and Charges. The Town covenants and agrees that it shall, by ordinance of the Town Council and to the fullest extent permitted by law, establish and maintain just and equitable rates or charges for the use of and the services rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewage works system of the Town, or that in any way uses or is served by such works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Town) to provide for the proper and reasonable expenses of operation, repair, replacement and maintenance of the sewage works, to comply with and satisfy all covenants contained in this

Ordinance, and for the payment of the sums required to be paid into the Sinking Fund by the Act and this Ordinance.

Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair, replacement and maintenance of the sewage works, and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the Town and all departments thereof and shall be paid by the Town as the charges accrue.

Section 17. Defeasance. If, when the Bonds or BANs issued hereunder (or portions thereof) shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or BANs (or portions thereof) for redemption shall have been given, and the whole amount of the principal, the interest and the premium, if any, so due and payable upon all of the Bonds or BANs (or portions thereof) then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or BANs, as applicable (or portions thereof), issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's Sewage Works.

Notwithstanding anything in this Ordinance to the contrary, so long as Rural Development is the owner of the Bonds, none of the Bonds shall be defeased prior to maturity thereof without the prior written consent of Rural Development unless all of the Bonds are to be redeemed in full in accordance with and upon the thirty (30)-day prior written notice provided for in Section 5 of this Ordinance.

Section 18. Additional BANs and Bonds. The Town will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Net Revenues of the Sewage Works having priority over the Bonds herein authorized.

The Town reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs so long as the interest is payable only on the same date(s) as that provided in the BAN Purchase Agreement and the principal is payable solely from the Bond proceeds. The Town also reserves the right to authorize and issue Future Parity Bonds, payable out of the Net Revenues of its Sewage Works, ranking on a parity with the Bonds authorized by this Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the Sewage Works, or to refund obligations, subject to the following conditions:

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

(b) As of the date of issuance of such Future Parity Bonds, the balance in the Reserve Account shall equal (i) not less than the Reserve Requirement (not including the increase necessitated by the Future Parity Bonds) or (ii) if the Future Parity Bonds are to be issued within

five (5) years (or, if the Bonds are held by Rural Development, ten (10) years) of the date of the issuance of the Bonds, the balance in the Reserve Account equals the amount of aggregate monthly deposits to be made thereto in accordance with Section 12(c) of this Ordinance, and the Reserve Requirement is proportionately increased in accordance with the provisions of Section 12(c) of this Ordinance and the Town covenants to make equal monthly deposits into the Sinking Fund over a sixty (60) month (or, if the Bonds are held by Rural Development, one hundred twenty (120) month) period sufficient to equal the increased Reserve Requirement.

(c) (i) The Net Revenues of the Sewage Works in the fiscal year immediately preceding the issuance of any such Future Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds payable from the Net Revenues of the Sewage Works and the Future Parity Bonds proposed to be issued; or (ii) prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal 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 payable from the Net Revenues of the Sewage Works and the Future Parity Bonds proposed to be issued. Notwithstanding the foregoing, in the event the Town determines to issue additional parity bonds which will be issued within ninety (90) days of the close of the previous fiscal year, the Net Revenues of the Sewage Works in the fiscal year immediately preceding the fiscal year just ended shall be considered for determining the one hundred twenty-five percent (125%) requirement described above is satisfied. For purposes of this subsection, the records of the Sewage Works shall be analyzed and all showings shall be prepared by a certified public accountant or nationally recognized firm

of professionals experienced in analyzing financial records of municipal utilities retained by the Town for that purpose.

(d) The principal of said additional Future Parity Bonds shall be payable on January 1 and the interest on said Future Parity Bonds shall be payable either annually on January 1 or semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

(e) If the Bonds are sold to the Authority, (i) the Town has obtained the consent of the Authority, (ii) the Town has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance, and (iii) the Town is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which the Future Parity Bonds are to be issued, including refunding bonds issued prior to, but part of, the overall plan to eliminate such non-compliance.

(f) In the event the Bonds are sold to Rural Development, such Future Parity Bonds are necessary to complete the Project or the certified public accountant referenced in (c) above shall additionally certify that Net Revenues for the fiscal year following the year in which such additional parity bonds are to be issued are projected to be equal to at least one hundred twenty percent (120%) of the average annual debt service requirements on all outstanding bonds of the Sewage Works on a parity with the Bonds, including such Future Parity Bonds.

Section 19. Additional Covenants of the Town. For the purpose of further safeguarding the interests of the owners of the Bonds and BANs, it is specifically provided as follows:

(a) All contracts let by the Town in connection with the construction of said additions and improvements to the Sewage Works shall be let after due advertisement as required by the

laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said additions and improvements shall be constructed under the supervision and subject to the approval of the Consulting Engineers or such other competent engineer as shall be designated by the Town Council. All estimates for work done or material furnished shall first be checked by the Consulting Engineers and approved by the Town Council.

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

(d) So long as any of the Bonds or BANs are outstanding, the Town shall maintain insurance coverage (which must be acceptable to the Authority if the Authority owns the Bonds or the BANs), including fidelity bonds, to protect the sewage works and its operations on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. All insurance proceeds and condemnation awards shall be used in replacing or restoring the property destroyed, damaged or taken; alternatively, they may be applied as Net Revenues of the works, but only with the consent of the Authority, if the Bonds or BANs have been sold to the Authority.

(e) So long as any of the Bonds or BANs are outstanding, the Town shall not either directly or indirectly mortgage, pledge or otherwise encumber such works, or any part thereof, or any interest therein, nor shall it sell, lease or otherwise dispose of any portion thereof except to replace equipment which may become worn out or obsolete.

(f) If the Authority purchases the Bonds as part of any of its IFA Program, so long as the Bonds are outstanding and owned by the Authority, and, except as otherwise specifically provided in Section 18 hereof, the Town shall not without the prior written consent of the Authority (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the sewage works other than for normal operating expenditures or (ii) borrow any money (including without limitation any loan from other utilities operated by the Town) in connection with the sewage works.

(g) Except as hereinbefore provided in Section 18 of this Ordinance, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed or issued by the Town 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 pursuant to Section 17 hereof coincidentally with the delivery of such additional bonds or other obligations. In the event that Rural Development is the owner of the Bonds, any junior or subordinate additional bonds, BANs or other obligations shall be issued in accordance with the Loan Resolution and Rural Development's Letter of Conditions and Letter of Intent to Meet Conditions then in effect. So long as Rural Development is the owner of any of the Bonds, the Town covenants that in addition to the other covenants, terms and conditions applicable to the Bonds, that, to the extent permitted under Indiana law, it will comply with all conditions set forth by Rural Development in its Letter of Conditions, Letter of Intent to Meet

Conditions, Loan Resolution and any Loan Agreement. The Town will, upon request by Rural Development, apply for and pursue a refinancing and refunding of the Bonds, in accordance with Indiana law, in an amount sufficient to allow for the repayment of the Bonds in their entirety.

(h) The Town shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The Town shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(i) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Bonds and BANs, and after the issuance of said Bonds and BANs, subject to the rights of the Town under Section 23 hereof, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds and BANs, nor shall the Town Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds or BANs or the interest thereon remains unpaid. Except with respect to amendments described in Section 23(a) through (g) hereof, however, this Ordinance may be amended without the consent of the owners of the Bonds or the BANs (i) if, among other things, the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds or the BANs, respectively, and (ii) as otherwise permitted pursuant to Section 23 hereof; provided, however, that if the Bonds or BANs are sold to the Authority, the Town shall obtain the prior written consent of the Authority.

(j) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such respective proceeds until the same are

applied in accordance with the provisions of this Ordinance and of the Act. The provisions of this Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this Ordinance set forth. The owner of said Bonds and BANs shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer said Sewage Works in the event of default in the payment of the principal of or interest on any of the Bonds or BANs or in the event of default in respect to any of the provisions of this Ordinance or the Act.

(k) So long as any of the BANs or Bonds are outstanding, no moneys derived from the revenues of the sewage works shall be transferred to the General Fund of the Town or be used for any purpose not connected with the sewage works other than to pay PILOTs as permitted hereunder.

(l) For purposes of this Section 19, the term "lease" shall include any lease, contract or other instrument conferring a right upon the Town to use property in exchange for a periodic payment made from the revenues of the sewage works, whether the Town desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

Section 20. Permitted Actions Relating to Preservation of Exclusion of Interest from Federal Gross Income. (a) The Clerk-Treasurer is hereby authorized to invest moneys pursuant to the provisions of this Ordinance and Indiana Code 5-1-14-3 at a restricted yield (subject to applicable requirements of federal law to insure that any such investment is acquired for fair

market value) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs, or the tax exempt status of interest on the Bonds and BANs, under federal law.

(b) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Town as to requirements of federal law to preserve the tax exclusion or exemption.

Section 21. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds and BANs, the Town represents, covenants and agrees that:

(a) No person or entity or any combination thereof, other than the Town or any other governmental unit ("Governmental Unit") within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), will use more than ten percent (10%) of the proceeds of the Bonds or BANs or property financed or refinanced by the Bond or BAN proceeds other than as a member of the general public. No person or entity or combination thereof, other than the Town or any other Governmental Unit will own property financed or refinanced by more than ten percent (10%) of the Bond or BAN proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large, except pursuant to a management or similar contract which satisfies the requirements of IRS Revenue Procedure 2017-13.

(b) No Bond or BAN proceeds will be loaned to any entity or person. No Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(c) The Town will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause or permit to fail to be taken by it or by any party under its control, any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds or BANs pursuant to Section 103 of the Code, nor will the Town act in any other manner which would adversely affect such exclusion. The Town further covenants that it will not make any investment or do any other act or thing during the period that any Bond or BAN is outstanding hereunder which would cause any Bond or BAN to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the Bonds or BANs.

(d) The Town will, to the extent necessary to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond and BAN proceeds or other moneys treated as Bond or BAN proceeds to the federal government and will set aside such moneys in a Rebate Account to be held by the Clerk-Treasurer in trust for such purpose.

Section 22. Compliance with Tax Sections. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance ("Tax Sections") which are designed to preserve the tax exempt status of interest on the Bonds and BANs or the exclusion of interest on the Bonds and BANs from gross income under federal law ("Tax

Exemption") need not be complied with if the Town receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. In addition, the Town is authorized to issue one or more series of Bonds or BANs, the interest on which is not excludable from gross income under federal law, in which case the Tax Sections of this Ordinance shall not apply to such series of Bonds or BANs.

Section 23. Supplemental Ordinances. Without notice to or consent of the owners of the bonds or BANs herein authorized, the Town may, from time to time and at any time, adopt an ordinance or ordinances supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

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

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

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

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

(v) To procure a rating on the Bonds from a nationally recognized securities

rating agency or agencies designated in such supplemental ordinance if such supplemental ordinance will not adversely affect the owners of the Bonds or any other bonds ranking on a parity with such Bonds; or

(vi) To accomplish any other purpose which, in the judgment of the Town, does not adversely affect the interests of the owners of the Bonds or BANs;

provided, however, that if the Bonds or BANs are sold to the Authority, the Town shall obtain the prior written consent of the Authority.

Subject to the terms and provisions contained in this Section 23 and Section 19(i) of this Ordinance, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that if the Bonds or BANs are sold to the Authority, the Town shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond 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 Net Revenues of the sewage works ranking prior to the pledge thereof created by this Ordinance; or

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

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

(f) A reduction in the Reserve Requirement; 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 Clerk-Treasurer of the Town, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section 23, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Town and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and

obligations of the Town and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 24. Official Statement. Any series of the Bonds may be offered and sold pursuant to an Official Statement or other offering document with respect to such Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. The Town hereby authorizes the Clerk-Treasurer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the Town; (b) on behalf of the Town, to designate the Preliminary Official Statement a "final" Official Statement with respect to such Bonds, subject to completion as permitted by and otherwise pursuant to the Rule; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule. The Town Council President and the Clerk-Treasurer are further authorized to execute and attest, respectively, an agreement in connection with the offering of such Bonds in accordance with the Rule by which the Town agrees to undertake such continuing disclosure obligations as may be required under the Rule.

Section 25. Repeal of Conflicting Ordinances. 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 26. Rates and Charges. The estimate of rates and charges which will be needed and charged to the general classes of users of property to be served by the Sewage Works in order to provide sufficient moneys to make payments of principal of and interest on the Bonds, along with the other payments identified in this Ordinance, is set forth in the Town Council's existing Rate Ordinance, as amended to the date hereof, and as said Rate Ordinance may be hereafter further amended.

Section 27. Notice of Adoption and Purport of Ordinance. Upon passage of this Ordinance, the Clerk-Treasurer shall immediately cause to be published in accordance with Indiana Code 5-3-1 a notice of the adoption and the purport of this Ordinance in accordance with Section 10 of the Act in the event that neither the entire Project nor any portion thereof have been ordered by or subject to the order of the Department. In the event an objecting petition is filed in accordance with Section 12 of the Act, no further proceedings shall be taken by the Town relating to the Project until the later of (i) the date on which the court having jurisdiction over such matter confirms the decision of the Town to issue bonds relating to the Project, or (ii) if an appeal is taken the date on which the appropriate court of last resort confirms the decision of the Town to issue bonds relating to the Project, except as permitted by Section 12(f) of the Act.

Section 28. Designation of Bonds and BANs as "Qualified Tax-Exempt Obligations."
The Bonds and BANs are hereby designated as "qualified tax-exempt obligations" for purposes

of Section 265(b)(3) of the Code, and any or all officials, officers, members, employees and agents of the Town are hereby authorized to execute on behalf of the Town any documents necessary or appropriate to evidence further such designation. The reasonably anticipated amount of "tax-exempt obligations" (as defined in Section 265(b) of the Code) (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by or on behalf of the Town and all subordinate entities thereof during the calendar year 2026 and the year of issuance of the Bonds does not exceed Ten Million Dollars (\$10,000,000). The designation set forth in this Section 28 may be revoked by the Clerk-Treasurer in a certificate executed on or before the date of sale of the Bonds or the BANs.

Section 29. Further Actions. The Town Council hereby requests, authorizes and directs the Town Council President and the Clerk-Treasurer, and each of them, for and on behalf of the Town, to prepare, execute and deliver any and all other instruments, letters, certificates, agreements and documents as are determined to be necessary or appropriate to consummate the transactions contemplated by this Ordinance, and such determination shall be conclusively evidenced by the execution thereof. The instruments, letters, certificates, agreements and documents necessary or appropriate to consummate the transactions contemplated by this Ordinance shall, upon execution, as contemplated herein, constitute the valid and binding obligations or representations and warranties of the Town, the full performance and satisfaction of which by the Town is hereby authorized and directed.

Section 30. Payments on Holidays. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the Town or the town or city in which the Registrar and Paying Agent is located are typically closed, such payment may be made or act

performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date. Notwithstanding the foregoing, with respect to any Bonds sold to the Authority pursuant to Section 9 of this Ordinance, if the date for making any payment is a day when financial institutions are not open for business, such payment shall be made on the business day immediately preceding such payment date.

Section 31. Separability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

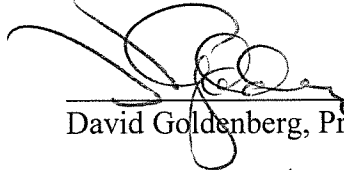
Section 32. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

Section 33. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

* * * * *

PASSED AND ADOPTED this 21st day of April, 2026, by the Town Council of the
Town of Lynnville, Indiana.

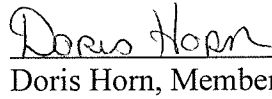
TOWN COUNCIL OF THE
TOWN OF LYNNVILLE, INDIANA



David Goldenberg, President

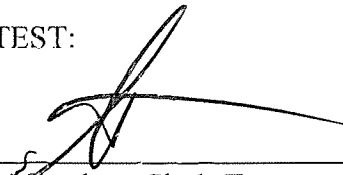


Rachel Titzer, Member



Doris Horn, Member

ATTEST:



Lauri Stockus, Clerk-Treasurer

APPENDIX A

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF INDIANA, COUNTY OF WARRICK
TOWN OF LYNNVILLE, INDIANA,
SEWAGE WORKS REVENUE BOND OF 20____

No. ____ R- ____

<u>[Maturity Date]</u>	<u>Interest Rate</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>[CUSIP No.]</u>
----------------------------	--------------------------	--------------------------	--------------------------------	--------------------

Registered Owner:

Principal Amount: \$

The Town of Lynnville (the "Town"), in Warrick County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above, [on the Maturity Date stated above] [or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, on the dates and in the amounts as set forth on Schedule A attached hereto] (unless this bond be subject to and shall have been called for redemption prior to maturity as hereinafter provided), and to pay interest hereon until the Principal Amount is fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month immediately preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____ 15, 20____, in which case it shall bear interest from the Original Date specified above, which such interest is payable [semi]annually on January 1 [and July 1] of each year, commencing _____ 1, 20____. Interest shall be calculated on the basis of [twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year][a three hundred sixty-five (365)-day year].

The principal of this bond is payable at the principal office of _____ in the _____ of _____, Indiana, as Registrar and Paying Agent (which term shall include any successor registrar and paying agent). All payments of interest hereon will be paid by check or draft mailed or delivered by the Paying Agent to the Registered Owner hereof at the address as it appears on the registration books of the Registrar as of the fifteenth day of the calendar month immediately preceding the applicable interest payment date or at such other address as is

furnished to the Paying Agent in writing by such Registered Owner. [Notwithstanding the foregoing, in the event this bond is sold to the United States of America, payment of the principal of and premium, if any, and interest on this bond shall be payable in the manner directed by Rural Development, an agency of the United States Department of Agriculture ("Rural Development").] All payments on this bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

[Notwithstanding the foregoing, if payment of principal or interest is made to a depository, payment shall be by wire transfer on the payment date in same day funds.] [Notwithstanding the foregoing paragraph, so long as this bond is registered in the name of the Indiana Finance Authority (the "Authority"), principal of and interest on this bond shall be paid by wire transfer to a financial institution designated by the Authority on the due date of such payment or, if such date is a day when financial institutions are not open for business, on the business day immediately preceding such due date. So long as the Authority is the registered owner of this bond, this bond shall be presented for payment as directed by the Authority.]

[So long as the Authority is the registered owner of this bond, it is understood that the principal hereof shall not be payable and interest hereon shall not accrue until such principal amount has been advanced pursuant to a request made by the Town to the Authority.][It is understood that (i) principal shall not be payable and interest shall not accrue on this bond until such principal amount has been advanced pursuant to requests made by the Town to the holder hereof, with advances to be allocable in order of the principal installment payments to be made by the Town pursuant to this bond, and (ii) in the event that the total principal amount of this bond is not advanced to the Town, the principal amount of this bond shall be reduced accordingly in inverse order of such principal installment payments.]

This bond and the other bonds of this issue, together with the interest payable hereon and thereon, are payable solely from and secured by an irrevocable pledge of and constitute a charge upon all of the Net Revenues (herein defined as the gross revenues after the deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the Town (the "Sewage Works"), including the existing works, [the improvements and extensions acquired or constructed out of the proceeds of this bond and the issue of which it is a part,] and all additions and improvements thereto subsequently acquired or constructed. This bond and the other bonds of this issue rank on a parity basis with the Prior Bonds (as defined in the Ordinance). The Town shall not be obligated to pay the principal of or interest on this bond except from the special fund, entitled the "Sewage Works Sinking Fund" (heretofore created by ordinance of the Town and continued under the Ordinance), provided from the Net Revenues of such sewage works, and neither this bond nor any of the bonds of the issue of which this bond is a part shall constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

This bond is one of an authorized issue of bonds of the Town of Lynnville, Indiana, of like tenor and effect, except as to series, numbering, interest rate and date of maturity, in the total amount not to exceed _____ Dollars (\$_____) numbered from ___R-1 upward, issued for the purpose of providing funds to pay the cost of

certain improvements and extensions to the sewage works of the Town (the "Sewage Works"), [and to refund notes issued in anticipation of bonds,] and all expenses necessarily incurred in connection with the issuance of such bonds, as authorized by an ordinance adopted by the Town Council of the Town on the ____ day of _____, 2026, entitled "An ordinance authorizing the acquisition, construction, installation and equipping by the Town of Lynnville, Indiana, of certain improvements and extensions to the Town's sewage works, the issuance and sale of revenue bonds to provide funds for the payment of the costs thereof, the issuance and sale of bond anticipation notes in anticipation of the issuance and sale of such bonds, and the collection, segregation and distribution of the revenues of such sewage works and other related matters" (the "Ordinance"), and in strict compliance with the provisions of Indiana Code, Title 36, Article 9, Chapter 23, and the laws amendatory thereof and supplemental thereto (collectively, the "Act").

Reference is hereby made to the Ordinance for a description of the nature and extent of the rights, duties and obligations of the owner of the bonds and the Town and the terms on which this bond is issued, and to all the provisions of the Ordinance to which the owner hereof by the acceptance of this bond assents.

[Reference is hereby made to the Financial Assistance Agreement between the Town and the Authority as to certain terms and covenants pertaining to the sewage works project and this bond (the "Financial Assistance Agreement").]

This bond is issuable only in fully registered form in the denomination of _____ Dollars (\$_____) or any integral multiple thereof not exceeding the aggregate principal amount of the bonds of this issue maturing in any one year[, unless this bond is of a series of bonds sold to the Bond Bank or the Authority, in which case it may be of such denomination as directed].

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of this issue, together with the Prior Bonds and any bonds hereafter issued on a parity herewith and therewith, are secured by and are payable solely from the Sewage Works Sinking Fund heretofore created and continued by the Ordinance, to be provided from the Net Revenues of the Sewage Works, including the existing works, the improvements and extensions acquired or constructed out of the proceeds of this bond and the issue of which it is a part, and all additions and improvements thereto and replacements thereof subsequently constructed and acquired. This bond does not and shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Town is not and shall not be obligated to pay this bond or the interest thereon except from such special fund provided from such Net Revenues.

The Town irrevocably pledges the entire Net Revenues of the Sewage Works to the extent necessary for such purposes, to the prompt payment of the principal of and interest on the bonds of this issue authorized pursuant to the Ordinance, including this bond and any bonds hereafter issued on a parity herewith. The Town covenants that it will to the fullest extent permitted by law cause to be fixed, maintained and collected such rates and charges for services rendered by such works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to comply with and satisfy all covenants contained in the Ordinance, and for the payment of the sums required to be

paid into said Sinking Fund under the provisions of said Act and said Ordinance. In the event the Town, or the proper officers thereof, shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the Registered Owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of the principal of and interest on this bond.

The Town further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of the Sewage Works to meet (a) the interest on all bonds payable from the revenues of the Sewage Works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of the Sewage Works, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance.

The Town reserves the right pursuant to the terms and conditions of the Ordinance to authorize and issue additional bonds hereafter payable out of the New Revenues of the Sewage Works, ranking on a parity herewith or junior hereto for the purpose of financing future extensions and improvements to the Sewage Works or to refund outstanding sewage works revenue bonds.

The bonds of this issue maturing on or after _____ 1, 20___, are subject to redemption prior to maturity, at the option of the Town, in whole or in part, on _____ 1, 20___, or at any time thereafter, in [inverse] order of maturity and by lot within any such maturity or maturities by the Registrar at a redemption price expressed as a percentage of the principal amount of each bond to be redeemed in accordance with the following schedule, plus accrued interest to the date of redemption [(provided, however, if the bonds are sold to the IFA Program (as defined in the Ordinance) and registered in the name of the Authority, such bonds shall not be redeemable at the option of the Town unless and until consented by the Authority)]:

Redemption Period
(Both Dates Inclusive)

Redemption Price

Notice of any such redemption shall be sent by registered or certified mail to the Registered Owner of this bond at least [thirty (30)] [sixty (60)] days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and in case of partial redemption, the respective principal amounts) of the bonds called for redemption. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption to pay the redemption price on the redemption date or when presented for payment.

[The Town acknowledges the provisions of 7 U.S.C. 1983(3) and the right of Rural Development to require the redemption of the entire unpaid principal amount of this bond and all other bonds of the issue of which this bond is a part in accordance therewith.]

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal and the premium, if any, and interest, so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case this bond or such portion hereof shall no longer be deemed outstanding, entitled to the pledge of the Net Revenues of the sewage works or an obligation of the Town[; provided, however, that so long as the United States of America is the owner of this bond, the Town will not defease this bond without the consent of Rural Development unless all of the bonds are to be redeemed in the manner provided in the Ordinance].

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

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of this issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is transferable or exchangeable only on the books of the Town maintained for such purpose at the principal office of the Registrar, by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner or his attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any exchange or transfer of this bond (i) during the fifteen (15) days immediately preceding an interest payment date on this bond or (ii) after the mailing of any notice calling this bond for redemption. The Town, the Registrar and any Paying Agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and the redemption premium, if any, and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new bond of like date, maturity and denomination

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

[The Town has designated the bonds as qualified tax-exempt obligations to qualify the bonds for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of one hundred percent (100%) of the deduction for interest expense allocable to tax-exempt obligations.]

In the manner provided in the Ordinance, the Ordinance and the rights and obligations of the Town and the owners of the bonds of this issue authorized thereunder, including this bond, may (with certain exceptions as stated in the Ordinance) be modified or amended with the consent of the owners of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of such bonds exclusive of any such bonds which may be owned by the Town.

The Registered Owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

The Town, the Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the interest due hereon and for all other purposes, and none of the Town, the Registrar or the Paying Agent shall be affected by any notice to the contrary.

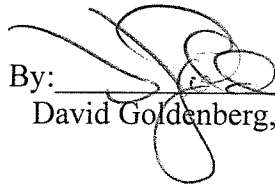
This bond shall not be valid or become obligatory for any purpose or entitled to any security or benefit under the Ordinance herein described unless and until the certificate of authentication hereon shall have been executed by a duly authorized representative of the Registrar.

The Town hereby certifies, recites and declares that all acts, conditions and things required to be done precedent to and in the preparation, execution, issuance and delivery of this bond have been done and performed in regular and due form as required by law.

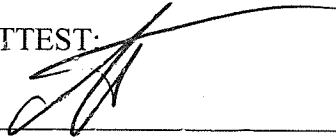
IN WITNESS WHEREOF, the Town of Lynnville, in Warrick County, State of Indiana, has caused this bond to be executed in its corporate name and on its behalf by the manual or

facsimile signature of the President of its Town Council, and its corporate seal to be hereunto affixed or impressed by any means and attested by the manual or facsimile signature of its Clerk-Treasurer.

TOWN OF LYNNVILLE, INDIANA

By:  _____
David Goldenberg, Town Council President

(Seal of the Town)

ATTEST:  _____
Lauri Stockus, Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Town of Lynnville, Indiana, Sewage Works Revenue Bonds of 20___, issued and delivered pursuant to the provisions of the within-mentioned Ordinance.

By: _____
Authorized Officer

ASSIGNMENT

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

Dated: _____

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

Signature Guarantee:

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

[SCHEDULE A

PRINCIPAL INSTALLMENT SCHEDULE

Date

Principal
Amount]

APPENDIX B

DESCRIPTION OF PROJECT

The Project includes the replacement and/or rehabilitation of two (2) Lift Stations. The first Lift Station (Main Lift Station) will include the construction of a new Lift Station - inclusive of new pumps, valves, piping, precast structures, controls, and electrical power feed. Additionally, a new force main will be run to connect to the existing force main. The Second Lift Station (Meade Valley) will include replacement of submersible pumps and miscellaneous replacement of existing piping, valves, and fittings. Additionally, a new three phase power feed will be run to the pumps, and a new control panel and controls installed.

Lastly, the construction of a new Main Lift Station, will require a new gravity sewer be run to the new proposed Lift Station site. This will require connection at the existing Lift Station site, and a new sewer installed beneath SR 68. As part of the installation of a new gravity sewer, new precast manhole structures will be installed as well as new service lines (as required).

