

**ORDINANCE NO. 2025-03**

**ORDINANCE OF THE TOWN OF MORGANTOWN, INDIANA, AUTHORIZING THE ACQUISITION, CONSTRUCTION, AND INSTALLATION BY THE TOWN OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE TOWN'S WATERWORKS, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS AND OTHER RELATED MATTERS**

WHEREAS, the Town of Morgantown, Indiana (the "Town"), has heretofore established and constructed and currently owns and operates a waterworks by and through its Town Council (the "Town Council") furnishing the public water supply to the Town and its inhabitants (the "Waterworks"), pursuant to the provisions of Indiana Code 8-1.5, as amended (the "Act"); and

WHEREAS, the Town Council hereby finds that certain improvements and extensions to the Waterworks are necessary, and Fleis & VandenBrink, of Indianapolis, 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 Waterworks, 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 Waterworks as described in such engineers' plans and specifications and below as set forth in Exhibit A (and as more fully set forth in the Financial Assistance Agreement (as hereinafter defined), and any amendment thereto, attached hereto and made a part hereof) are referred to herein as the "Project"); and

WHEREAS, this Town Council further finds that the estimates prepared and delivered by the Consulting Engineers with respect to the costs of acquisition and construction of such improvements and extensions to the Waterworks, and including all authorized expenses relating thereto, including the costs of issuance of bonds and, if necessary, bond anticipation notes, on account of the financing of all or a portion thereof, will be in the aggregate amount not to exceed Three Million Nine Hundred Thousand Dollars (\$3,900,000), of which Seven Hundred Thousand Dollars (\$700,000) is expected to be funded from proceeds of a grant from the Indiana Office of Community and Rural Affairs; and

WHEREAS, this Town Council hereby finds that to provide funds necessary to pay for the costs of the Project for which other funding is not available, it will be necessary for the Town to issue waterworks revenue bonds and, if necessary, bond anticipation notes in an amount not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000); and

WHEREAS, the Town desires to authorize the issuance of waterworks revenue bonds or, if necessary, bond anticipation notes, hereunder payable from the Net Revenues (as hereinafter defined) of the Waterworks, to finance the balance of the aforementioned costs of the Project: and

WHEREAS, pursuant to Ordinance No. 2015-10, adopted by this Town Council on November 12, 2015 (the "Prior Ordinance"), the Town has heretofore issued revenue bonds payable from the Net Revenues of the Waterworks, designated "Town of Morgantown, Indiana, Waterworks Revenue Bonds of 2015" (the "Prior Bonds"), currently outstanding in the amount of Six Hundred Thirty Thousand Dollars (\$630,000), bearing interest at a rate of two percent (2.00%) per annum and maturing annually on January 1 of each year through January 1, 2036; and

WHEREAS, except for the Prior Bonds, the Town has no outstanding revenue bonds, obligations, or pledges against the Net Revenues of the Waterworks; and

WHEREAS, the Prior Ordinance authorizes the issuance of additional revenue bonds ranking on a parity with the Prior Bonds outstanding for the purpose of financing the cost of future additions, extensions, and improvements to the Waterworks, so long as certain conditions are met; and

WHEREAS, LWG CPAs & Advisors, municipal advisor to the Town (the "Municipal Advisor"), has been retained by the Town to analyze the records and finances of the Waterworks, and the bonds authorized to be issued hereunder (the "Bonds") shall be issued only when and after the Municipal Advisor has submitted evidence and findings demonstrating compliance with the conditions set forth in the Prior Ordinance for the issuance of such series of additional revenue bonds payable out of the Net Revenues of the Waterworks and ranking on parity with the Prior Bonds; and

WHEREAS, this Town Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds, on a parity with the Prior Bonds, and, if necessary, bond anticipation notes (the "BANs"), to provide the necessary funds to be applied to the cost of the Project and authorized costs relating thereto, have been complied with in accordance with the provisions of the Prior Ordinance and the Act; and

WHEREAS, this Town Council consequently seeks to authorize the issuance of the Bonds and the BANs, if necessary, to finance the acquisition and construction of the Project pursuant to the Act and the sale of the Bonds or BANs either by private negotiation or pursuant to the provisions of Indiana Code 5-1-11, or to the Authority (as defined below) as set forth below, pursuant to the provisions of the Act, subject to and dependent upon the terms and conditions hereinafter set forth; and

WHEREAS, the Town has heretofore withdrawn from the jurisdiction of the Indiana Utility Regulatory Commission for purposes of setting rates and charges and issuing debt with respect to the Waterworks, and accordingly, the Town will not need approval of the Indiana Utility Regulatory Commission prior to the issuance of the Bonds and BANs herein authorized; and

WHEREAS, the Town may enter into a Financial Assistance Agreement, Financial Aid Agreement, Grant Agreement, and/or Funding Agreement (substantially in the form of Exhibit B attached hereto and made a part hereof) with the Indiana Finance Authority (the "Authority") (together with any subsequent amendments thereto, the "Financial Assistance Agreement") as part of its drinking water loan program, supplemental drinking water and wastewater assistance program, water infrastructure grant program and/or water infrastructure assistance program

(collectively, the “IFA Program”), established and existing pursuant to Indiana Code 5-1.2-1 through 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, pertaining to the Project and the financing of the Project if any Bonds or BANs are sold to the Authority as part of its IFA Program; and

WHEREAS, the Town Council understands that for the Project to be permitted to be financed under the IFA Program, the Town must (a) agree to own, operate, and maintain the Waterworks and the Project for the duration of their useful life, and (b) represent and warrant to the Authority that the Town has no intent to sell, transfer, or lease the Waterworks or the Project for the duration of their useful life; and

WHEREAS, the Town may accept other forms of financial assistance, as and if available, from the IFA Program;

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

Section 1. Acquisition and Construction of the Project. The Town, acting by and through the Town Council and as the owner and operator of the Waterworks for the furnishing of the public water supply to the Town and its inhabitants, hereby determines to acquire any and all necessary property and to proceed with the construction of improvements and extensions to the Waterworks, 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 construction and financing of such improvements and extensions to the Waterworks 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 “Waterworks,” “waterworks,” “works,” and similar terms used in this Ordinance shall be construed to mean the Drinking Water System, as defined in the Financial Assistance Agreement, and shall include any existing structures and property of the Waterworks and all enlargements, improvements, extensions, and additions thereto, and replacements thereof, now or subsequently constructed or acquired, whether from the proceeds of the Bonds or BANs authorized herein or otherwise. Such improvements and extensions shall be constructed and the Bonds or BANs herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

In the event the Bonds herein authorized or the BANs are purchased by the Authority as part of the IFA Program, on behalf of the Town, the Town Council hereby (i) agrees to own, operate and maintain the Waterworks and the Project for the duration of their useful life, and (ii) represents and warrants to the Authority that the Town has no intent to sell, transfer, or lease the Waterworks or the Project for the duration of their useful life.

Section 2. Description of the Project. The Project is more particularly described in Exhibit A attached hereto and made a part hereof. The Town shall proceed with the acquisition, construction and installation 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 authorized expenses relating thereto including the costs of issuance of the Bonds, as hereinafter defined, on account thereof, the Town shall issue and sell its waterworks revenue bonds in the aggregate principal amount not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000). The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Sinking Fund referred to and defined below.

The Bonds shall be issued in one or more series and shall be designated as the “Town of Morgantown, Indiana, Waterworks Revenue Bonds, Series 2025\_\_” (with such blank to denote the particular series of Bonds) and shall be issued in an aggregate principal amount not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000). The Bonds shall be issued as fully registered bonds in the denomination of One Dollar (\$1) each or integral multiples thereof consistent with the requirements of the Authority if sold to the Authority as part of the IFA Program and in the denomination of One Thousand Dollars (\$1,000) each (or such higher minimum denomination as the Clerk-Treasurer shall determine prior to the sale of the Bonds) if sold to another purchaser, and any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in any one year, shall be numbered consecutively from 25R-1 upward and shall bear interest at a rate not to exceed five percent (5.00%) per annum (the exact rate or rates to be determined by negotiation with the IFA Program or by bidding or private negotiation with any other purchaser, as the case may be). Interest on the Bonds shall be calculated on the basis of twelve (12) thirty-day (30-day) months for a three hundred sixty (360) day year (or on the basis of a three hundred sixty-five-day (365-day) year, if required by the purchaser of the Bonds) and shall be payable semiannually on January 1 and July 1 in each year (each an “Interest Payment Date”), commencing no earlier than July 1, 2025 (with the first Interest Payment Date to be certified by the Clerk-Treasurer in the Clerk-Treasurer’s Certificate (as hereinafter defined)), until principal is fully paid. The principal of the Bonds shall mature annually on January 1 of each year beginning no earlier than January 1, 2026, and ending no later than the date that is thirty-five (35) year from the date of issuance of the Bonds. Any Bonds sold to the Authority as part of its IFA Program shall mature annually on January 1 or be subject to mandatory sinking fund redemption on January 1, over a period ending no later than thirty-five (35) years from the date of issuance of the Bonds, and in such amounts as will allow the Town to meet the coverage and/or amortization requirements of the IFA Program, with such debt service schedules to be finalized and set forth in the Financial Assistance Agreement.

The Bonds shall bear an original issue date which shall be the date of issuance of the Bonds, 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; provided, however, that interest on any Bonds sold to the Authority as part of its IFA Program shall be payable from the date or dates of payment made by the Authority as part of its purchase of the Bonds pursuant to the Financial Assistance Agreement.

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 day which is 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.

The Clerk-Treasurer is hereby authorized to contract with a qualified financial institution to serve as registrar and paying agent for the Bonds (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. 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 Sinking Fund continued by this Ordinance.

If the Bonds are registered in the name of any purchaser that does not object to such designation, the Clerk-Treasurer may be designated as the Registrar and Paying Agent and 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 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 Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor Registrar and Paying Agent shall deliver all of the Bonds and cash in its possession with respect thereto, together with the registration books, to the successor Registrar and Paying Agent. The 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.

If the Bonds are sold to the Authority as part of its IFA Program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority as part of its IFA Program is the owner of the Bonds, such Bonds shall be presented for payment as directed by the Authority.

If the Bonds are not sold to the Authority as part of its IFA Program or if wire transfer payment is not required, principal of and any redemption premium on the Bonds 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 (15<sup>th</sup>) day of the 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. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

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

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

In the event that any Bond is not presented for payment or redemption on the date established therefor, the Town may deposit in trust with the Paying Agent an amount sufficient to

pay such Bond or the redemption price thereof, as appropriate. Thereafter, the owner of such Bond 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.

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 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). If required by the IFA Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest (or both) on 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 issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

#### Section 4. The BANs.

The Town has the authority to elect to issue its BAN or BANs if necessary, in lieu of initially issuing all or a portion of the Bonds to provide interim construction financing for the Project until permanent financing becomes available or to qualify for financial assistance provided from the IFA Program. The BANs shall be issued pursuant to the provisions of Indiana Code § 5-1-14-5 or as otherwise permitted by law and approved by the President of the Town Council of the Town (the "Town Council President") and Clerk-Treasurer of the Town (the "Clerk-Treasurer"). If so determined by the Town Council President and Clerk-Treasurer, the Town shall issue its BANs for the purpose of procuring interim financing to apply to the cost of the Project.

The BAN or BANs shall be issued, in one or more series, in an aggregate amount not exceeding Three Million Two Hundred Thousand Dollars (\$3,200,000) and shall be designated "Town of Morgantown, Indiana, Waterworks Bond Anticipation Note of \_\_\_\_" (with the year and any series or other references added, revised, or removed as appropriate). The BANs shall have a maturity not exceeding five (5) years, shall be dated the date of delivery and shall be in denominations of One Dollar (\$1) or integral multiples thereof (or such higher minimum denomination as the Clerk-Treasurer shall determine prior to the sale of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall bear interest at a rate or rates not exceeding five percent (5.00%) per annum, and may be sold at a discount not to exceed two percent (2.00%). The BANs are subject to renewal or extension at an interest rate or rates not to exceed five percent (5.00%) per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The principal of and interest on the BANs shall be payable solely from the issuance of the Bonds and in the manner prescribed by the Act (or, with respect solely to interest, from a pledge of the Net Revenues). 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. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months. The BANs may be subject to early redemption on or after any date selected by the Town Council President or Clerk-Treasurer prior to their issuance, upon seven (7) days' notice to the owner of such BAN, without a premium. BANs shall be in a customary form as approved by the Town Council President and Clerk-Treasurer.

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.

It shall not be necessary for the Town to repeat the procedures for the issuance of its Bonds; 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 shall issue the Bonds described and authorized in this Ordinance to discharge its obligations under the BAN and BANs at or before the maturity date of the BAN or BANs.

Section 5. Optional Redemption of the Bonds; Term Bonds. The Bonds may be subject to redemption at the option of the Town, but no sooner than ten (10) years after their date of delivery, or any date thereafter, for Bonds that are purchased by the Authority as part of the IFA program, in whole or in part (and if in part, in authorized denominations and in order of maturity determined by the Town and by lot within any such maturity or maturities in such manner as may be designated by the Registrar), at times to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor; provided, that Bonds sold to the Authority as part of its IFA Program shall be redeemable not sooner than ten (10) years after their date of delivery and in inverse order of maturity; provided, further, that if the Bonds are sold to the IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the Town unless and until consented to by the Authority. Written notice of redemption shall be provided at least thirty (30) days in advance to the registered owner or owners of the Bonds to be redeemed, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest on the Bonds so redeemed to the redemption date, and at a premium, if any, to be determined by the Clerk-Treasurer with the advice of the Municipal Advisor, not in excess of two percent (2%) of the par amount of the Bonds to be redeemed; provided, however, that such notice shall be provided at least sixty (60) days in advance if the Bonds are sold to the Authority as part of its IFA Program, to the registered owner as shown on the registration record of the Town as of the date which is sixty-five (65) days prior to the redemption date for such Bonds.

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days (or sixty (60) days if the Bonds are sold to the Authority as part of its IFA Program) 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 corporate trust 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.

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, if any, identifying, by issue and maturity, the Bonds (or portions thereof) being redeemed with the proceeds of such check or other transfer.

As determined by the successful bidder (or purchaser determined by private negotiation) for the 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 on January 1 in the years determined by the winning bidder as set forth in the certificate of the Town concerning the award of the Bonds (the "Award Certificate").

In the event that the winning bidder opts to aggregate certain Bonds into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on the first day of January of each year and in the principal amount all as set forth in the Award Certificate.

The Registrar shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity any Bonds of such maturity purchased for cancellation by the Town and canceled by the Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Bond so purchased shall be credited by the Registrar at 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.

The Registrar shall determine by lot (treating each minimum authorized denomination 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 the first day of the calendar month selected by the Clerk-Treasurer of each year.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in this Section 5 of this Ordinance.

Section 6. Execution and Authentication of the Bonds. The Bonds and BANs, if any, shall be executed in the name of the Town by the manual or facsimile signature of 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 BANs, if any. The Bonds and BANs, if any, 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 or BANs, the Bonds and BANs, if any, shall be fully negotiable instruments under the laws of the State of Indiana.

The Bonds or BANs may, in compliance with all applicable laws, be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the Town from time to time (the "Clearing Agency"). The Town and 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 the Bonds or BANs, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds or BANs.

During any time that the Bonds or BANs are held in book-entry form on the books of a Clearing Agency: (1) any such Bond or BAN 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 the Depository Trust Company; (2) the Clearing Agency in whose name such Bond or BAN is 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 Bond or BAN for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of, premium, if any, on and interest on such Bond or BAN, the receiving of notice and the giving of consent; (3) neither the Town nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond or BAN, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or BAN or any responsibility or obligation hereunder with respect to the receiving of payment of principal, premium, if any, or interest on any Bonds or BANs, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond or BAN 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 (5) notwithstanding anything in this Ordinance to the contrary, payment of the principal of and interest on the Bonds or BANs may be made by wire transfer or other method acceptable to the Clearing Agency.

If either (i) the Town receives notice from the Clearing Agency that is currently the registered owner of the Bonds or BANs to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a clearing agency for the Bonds or BANs, or (ii) the Town elects to discontinue its use of such Clearing Agency as a clearing agency for the 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 the Bonds or BANs as are necessary or appropriate to discontinue use of such Clearing Agency as a clearing agency

for the Bonds or BANs and to transfer the ownership of each of the Bonds or BANs to such person or persons, including any other clearing agency, as the holder of the 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 the Bonds or BANs, shall be paid by the Town.

During any time that the Bonds or BANs are 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 the 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 the Bond or BAN has been obtained, the Registrar or Paying Agent shall be entitled to treat the beneficial owners of the Bonds or BANs as the holder of the Bonds or BANs.

During any time that the Bonds or BANs are held in book-entry form on the books of a clearing agency, the Clerk-Treasurer and/or the Registrar are authorized to enter into a Letter of Representations agreement with the Clearing Agency, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth herein.

Section 7. Security and Sources of Payment for the Bonds. The Bonds, as and to the extent paid for and delivered to the purchaser thereof, together with any other bonds issued on a parity therewith, including the Prior Bonds (to be referred to hereinafter collectively as the “bonds,” unless the context otherwise requires) and any Future Parity Bonds (as defined herein), as to both principal and interest, shall be valid and binding special revenue obligations of the Town, payable solely from and secured by an irrevocable pledge of and constituting a first charge upon all of the Net Revenues (herein defined as gross revenues, including System Development Charges (as hereafter defined), after deduction only for the payment of the reasonable expenses of operation, repair, and maintenance, excluding transfers for payments in lieu of property taxes) derived from the Waterworks, including all such Net Revenues from any existing works, the Project and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside into the Sinking Fund as herein provided. For the purposes of this Ordinance, “System Development Charges” shall mean the proceeds and balances from any System Development Charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this Ordinance. The Town shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Bonds shall not constitute an indebtedness of the 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 follows (with all blanks to be properly completed prior to the preparation of the Bonds):

[Form of Bond]

25R-\_\_

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MORGAN

TOWN OF MORGANTOWN, INDIANA  
WATERWORKS REVENUE BOND, SERIES 2025

Interest <u>Rate</u>	Maturity <u>Date</u>	Original <u>Date</u>	Authentication <u>Date</u>	[CUSIP]
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Registered Owner:

Principal Amount:

The Town of Morgantown (the “Town”), in Morgan 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 specified 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, or its assigns,] on the [Maturity Date specified above] **OR** [January 1 in the years and in the amounts as set forth on Schedule A attached hereto] (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is fully paid at the Interest Rate per annum specified above from [the dates of payment made on this Bond] **OR** [the interest payment date to which interest has been paid or duly provided for next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, and unless this bond is authenticated on or before \_\_\_\_\_ 15, 20\_\_, in which case it shall bear interest from the Original Date, which interest is payable] commencing on \_\_\_\_\_ 1, 20\_\_, and semiannually on each January 1 and July 1 until maturity. Interest shall be calculated on the basis of twelve (12) thirty-day (30-day) months for a three hundred sixty-day (360-day) year.

[The principal of and premium, if any, on this bond are payable at the office of the Clerk-Treasurer of the Town, acting as registrar and paying agent, or of any successor registrar and paying agent appointed under the Ordinance defined and described herein (the “Registrar” and the “Paying Agent”).] [Principal and] Interest hereon will be paid by [cash or draft mailed or delivered] **OR** [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority (the “Authority”) on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] 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 month immediately preceding the applicable interest payment date or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Notwithstanding the

foregoing, if payment of principal and interest is to be made to a depository, payment shall be made by wire transfer on the payment date in same day funds. All payments on this bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

[Notwithstanding the foregoing, if payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds.]

THE TOWN IS NOT AND SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND EXCEPT FROM THE HEREINAFTER DESCRIBED SINKING FUND, AND NEITHER THIS BOND NOR ANY OTHER BOND OF THIS ISSUE 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 in the total amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) numbered 25R-1, issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the waterworks of the Town 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 \_\_\_\_\_, 2025, entitled "ORDINANCE OF THE TOWN OF MORGANTOWN, INDIANA, AUTHORIZING THE ACQUISITION, CONSTRUCTION, AND INSTALLATION BY THE TOWN OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE TOWN'S WATERWORKS, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS AND OTHER RELATED MATTERS" (the "Ordinance"), and in strict compliance with the provisions of the Indiana Code, Title 8, Article 1.5, and the laws amendatory thereof and supplemental thereto (the "Act").

This bond is issuable only in fully registered form in the denomination of [One Dollar (\$1)] [One Thousand Dollars (\$1,000)] or any integral multiple thereof not exceeding the aggregate principal amount of the bonds of this issue maturing on January 1 in any one year.

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, including the Prior Bonds (as defined in the Ordinance), and together with any bonds hereafter issued ranking on a parity therewith, are payable solely from the "Waterworks Sinking Fund" continued by the Ordinance (the "Sinking Fund") to be provided from the net revenues (herein defined as the gross revenues of the waterworks of the Town, inclusive of System Development Charges (as defined in the Ordinance) remaining after payment of reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] **OR** [operation, repair and maintenance, excluding transfers for payments in lieu of property taxes] of the waterworks of the Town.

The Town is not and shall not be obligated to pay this bond or the interest thereon except as provided and only from the sources described herein, and this bond does not and shall not

constitute a corporate indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

[Reference is hereby made to the Financial Assistance Agreement (“Financial Assistance Agreement”) between the Town and the Authority concerning certain terms and covenants pertaining to the Waterworks project and the purchase of this Bond as part of the drinking water loan program established and existing pursuant to Indiana Code 5-1.2-1 through 5-1.2-4 and Indiana Code 5-1.2-10.]

The Town irrevocably pledges the entire Net Revenues of the waterworks to the prompt payment of the principal of, and interest on the bonds authorized by this Ordinance, of which this one, and any bonds ranking on a parity therewith, including the Prior Bonds, to the extent necessary for that purpose, and covenants that it shall, to the fullest extent permitted by law, establish, fix, maintain and collect reasonable and just rates and charges for the use of and the services rendered by its waterworks so that such rates and charges will provide revenues at least sufficient in each year to: (a) pay all the legal and other necessary expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement) **OR** [operation, repair, replacements, and maintenance] of the waterworks; (b) provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) provide a debt service reserve on bonds or other obligations, including leases, as required by the terms of such obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements; (f) provide money for the payment of any taxes that may be assessed against the waterworks; and (g) comply with and satisfy all covenants contained in the Ordinance and any Financial Assistance Agreement, and that it will, in all other respects, faithfully comply with all provisions of the Act pursuant to which this bond is issued. In the event the Town shall default in the payment of the principal of or interest on this bond, the Registered Owner of this bond may, by action or other proceeding, compel performance of all duties required by the Act of the Town or any officer of the Town, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the waterworks, the segregation of the income and revenues of the waterworks, and the application of the revenues and the respective funds and accounts as specified in the Ordinance.

The Town further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of the Waterworks to meet (a) the interest on all bonds payable from the revenues of the Waterworks, as such interest shall become 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 Waterworks, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance.

[The bonds of this issue maturing on or after January 1, 20 \_\_\_\_, are subject to redemption prior to maturity, at the option of the Town, in whole or in part, on January 1, 20 \_\_\_\_, or on any date thereafter, in principal amounts selected by the Town and in [inverse order of maturity] [order of maturity selected by the Town] and by lot within any such maturity or maturities by the Registrar at a redemption price equal to \_\_\_\_\_ percent (\_\_\_\_%) of the principal amount of each bond to be redeemed, plus accrued interest to the date of redemption; provided, that if the Bonds are sold to the IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the Town unless and until consented to by the Authority.]

[The bonds maturing on January 1, 20\_\_\_, are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Term Bond

DATE

Amount]

Notice of any such redemption shall be sent by registered or certified mail to the Registered Owner of this bond not less than [thirty (30)] [sixty (60)] days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The notice shall specify the 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.

Prior to the date fixed for redemption, funds shall be deposited with the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds to the payment of, the bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. No payment shall be made by the Paying Agent upon any bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by the Ordinance with respect to any mutilated, lost, stolen or destroyed bond.

If this bond shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal and the premium, if any, and interest, so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case this bond or such portion hereof shall no longer be deemed outstanding, entitled to the pledge of the Net Revenues of the waterworks or an obligation of the Town.

[The bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Letter of Representations between the Town and the Depository Trust Company, or any substitute agreement, affecting such Book Entry System.]

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.

All bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed and shall not be reissued, and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Registrar to the Town; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any bond without charge to the holder thereof.

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of the 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 corporate trust office of the Registrar, by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in 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 and the Registrar and the 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 and Paying Agent 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 of this issue 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 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 bonds authorized and issued pursuant to the Ordinance, including this bond, are subject to defeasance prior to redemption or payment as provided in the Ordinance, and the 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 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 Morgantown, in Morgan County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the President of its Town Council, and its corporate seal be hereunto affixed and attested by the manual or facsimile signature of its Clerk-Treasurer.

TOWN OF MORGANTOWN, INDIANA

By: \_\_\_\_\_  
President of Town Council

(Seal of the Town)

ATTEST:

\_\_\_\_\_

Clerk-Treasurer

REGISTRAR’S CERTIFICATE OF AUTHENTICATION

This bond is one of the Town of Morgantown, Indiana, Waterworks Revenue Bonds, Series 2025, described in the within-mentioned Ordinance.

\_\_\_\_\_, as Registrar

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 Securities Transfer Association recognized signature guarantee program.

[Exhibit A]

[Date and Principal Amount]

[End of Form of Bond]

Section 9. Issuance, Sale, and Delivery of the Bonds.

(a) Generally. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the Town Council President and the Clerk-Treasurer are each hereby authorized and directed to execute the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds 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 98% of the par amount of the Bonds, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application to the costs of the Project (or the refunding of the BANs, if applicable), together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds. 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 Bonds.

(i) Sale of Bonds. The Bonds may be sold either by private negotiation or by public sale. All bids for the 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 hour 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 five percent (5.00%) 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 Bonds bearing each rate, and all the Bonds maturing on the same date shall bear the same rate of interest. The interest rate on Bonds of a given maturity must be at least as great as the interest rate on 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 98% of the par value of the Bonds (or such higher percentage of the par value of the Bonds as the Clerk-Treasurer shall determine with the advice of the Municipal Advisor), 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 his 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) Sale to the Authority. As an alternative to public or other negotiated private sale, the Clerk-Treasurer may negotiate the sale of the Bonds to the Authority as part of its IFA Program. The Town Council President and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Authority as part of its IFA Program, (ii) execute a Financial Assistance Agreement (including any amendment thereof) with the Authority with terms conforming to this Ordinance, and (iii) sell such Bonds upon such terms as are acceptable to the Town Council President and the Clerk-Treasurer consistent with the terms of this Ordinance. The substantially final form of Financial Assistance Agreement attached hereto and incorporated herein by reference is hereby approved by this Town Council, and the Town Council President and Clerk-Treasurer are hereby authorized to execute and deliver the same and to approve any changes in form or substance to the Financial Assistance Agreement, which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by such execution.

(c) Credit Enhancement; Opinion of Bond Counsel. Prior to the delivery of the Bonds, the Clerk-Treasurer, subject to the direction of the Town Council, (i) shall be authorized to investigate, negotiate and obtain bond insurance, other forms of credit enhancement and/or credit ratings on the Bonds, and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the Town, with such opinion to be furnished to the purchaser of the Bonds 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 and in the performance of related services in connection with the issuance, sale, and delivery of the Bonds, shall be considered as a part of the cost of the Project and shall be paid out of the proceeds of the Bonds.

(d) Sale of BANs. In connection with the sale of the BANs, the Town Council President and the Clerk-Treasurer each are authorized to take all or part of the same authorized actions and to execute and deliver the agreements and instrument as they deem advisable with respect to the BANs to the same extent as if the foregoing provisions of this Section applicable to the Bonds were applied to the sale of the BANs, provided they shall not be required to take each and every such act as would relate to the Bonds unless by law it is required with respect to the BANs.

Section 10. Disposition of Proceeds of the Bonds; Town of Morgantown 2025 Waterworks Construction Account. The proceeds from the sale of the Bonds or, if applicable, the BANs, shall be deposited into 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 Morgantown 2025 Waterworks Construction Account" (the "Construction Account"). Amounts in the Construction Account shall be expended only for the purpose of paying the costs of the Project, as described in the Ordinance and in the Act, together with the incidental expenses incurred in connection with the Project and the costs of issuance of the Bonds or, if applicable, the BANs, and 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 or construction 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. Pursuant to the Act, the owners of the Bonds or, if applicable, the BANs, shall be entitled to a lien on the proceeds of the Bonds or, if applicable, the BANs, until such proceeds are applied as required by this Ordinance and by Indiana law.

With respect to any Bonds sold to the Authority as part of its IFA Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the Town, or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Authority), the Town shall reduce the principal amount of the remaining Bond maturities to effect such reduction in amounts as will still achieve the annual debt service as described in Section 3, subject to and upon the terms set forth in the Financial Assistance Agreement.

Section 11. Segregation and Application of Waterworks Revenues. All income and revenues derived from the operation of the Waterworks and from the collection of water rates and charges (including any System Development Charges) shall be deposited upon receipt into the Revenue Fund (the "Revenue Fund") established by the Prior Ordinance and continued hereby and shall be segregated and kept separate and apart from all other funds and bank accounts of the Town. The reserve shall be funded out of said revenues, and the proper and reasonable expenses of operation, repair, and maintenance of the Waterworks, the costs of replacements, extensions, additions and improvements to the Waterworks, the principal and interest of all bonds, and the fiscal agency charges of bank paying agents shall also be paid out of said revenues as hereinafter provided. No monies derived from the revenues of the Waterworks shall be transferred to the general fund of the Town or be used for any purpose not connected with the Waterworks.

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

Section 12. Waterworks Sinking Fund. After the required deposits to the Operation and Maintenance Fund, there shall be deposited from the Revenue Fund into the Waterworks Sinking Fund (the "Sinking Fund") established by the Prior Ordinance 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 Waterworks, and the payment of any fiscal agency charges in connection

with the payment of such bonds and interest thereon. There shall be set aside and deposited into the Sinking Fund, as available and as hereinafter provided, a sufficient amount of the Net Revenues of said Waterworks to meet the requirements of the Bond and Interest Account (as hereinafter defined) and the Debt Service Reserve Account established by the Prior Ordinance and continued hereby in said Waterworks Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Debt Service Reserve Account, equals the principal of and interest on all of the then outstanding bonds of the Waterworks to the final maturity thereof.

(a) Bond and Interest Account. There is hereby continued within the Sinking Fund an account known as the "Bond and Interest Account" (the "Bond and Interest Account"). After making the credit to the Operation and Maintenance Fund, there shall be credited on the last day of each calendar month to the Bond and Interest Account established by the Prior Ordinance and continued hereby, an amount of Net Revenues equal to the sum of one-sixth ( $1/6$ ) of the interest on all then outstanding bonds of the Waterworks payable on the then next succeeding Interest Payment Date, and one-twelfth ( $1/12$ ) of the amount of principal payable on the next principal payment date on all then outstanding bonds of the Waterworks which will be payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding respective principal and interest payment dates shall have been so credited; provided, that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on outstanding bonds of the Waterworks as the same become payable. The Town shall, from the sums deposited into the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owners of the outstanding bonds of the Waterworks 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.

(b) Debt Service Reserve Account. There is hereby continued within the Sinking Fund an account to be known as the "Debt Service Reserve Account" (the "Reserve Account"). On the last day of each calendar month, after making the credits to the Bond and Interest Account, there shall be credited from available Net Revenues to the Reserve Account previously created in amounts sufficient to produce, in equal monthly installments over a sixty (60) month period, an amount equal to the maximum annual debt service on the Bonds, the Prior Bonds and any parity bonds issued in the future by the Town which are payable from the Net Revenues of the Waterworks (the "Future Parity Bonds") (the "Reserve Requirement"); provided, however, that the Clerk-Treasurer, with the advice of the Municipal Advisor, may elect to satisfy all or a portion of the Reserve Requirement on the date of issuance of the Bonds from other available funds of the Town. Said credits to the Reserve Account shall continue until the balance therein shall equal the Reserve Requirement. The Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Bonds, the Prior Bonds, and any Future Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds, the Prior Bonds, and any Future Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiencies in credits to the Reserve Account shall be promptly made up from the

next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds, the Prior Bonds, or any Future Parity Bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account hereinbefore provided for. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Waterworks Improvement Fund, and in no event shall such excess moneys be held in the Reserve Account.

Section 13. Waterworks Improvement Fund. There is hereby continued a special fund previously created and known as the "Waterworks Improvement Fund" (the "Waterworks Improvement Fund"). After making all required payments into the Operation and Maintenance Fund and the Sinking Fund, then any excess Net Revenues may be credited to the Waterworks Improvement Fund established by the Prior Ordinance and continued hereby. Said fund shall be used for improvements, replacements, additions, and extensions of the Waterworks, including transfers to the Town for payments in lieu of property taxes. Moneys in the Waterworks 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 balances in the Reserve Account. 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 Waterworks.

Section 14. Maintenance of Funds. The Sinking Fund shall be deposited into and maintained as a separate bank account or accounts from all other accounts of the Town, including, without limitation, any funds or accounts relative to any other utility of the Town beyond the Waterworks. The Operations and Maintenance Fund and the Waterworks Improvement Fund may be maintained in a single bank account or accounts, but such account or accounts shall likewise be maintained separate and apart from all other accounts of the Town (including, without limitation, any funds or accounts relative to any other utility of the Town beyond the Waterworks) and apart from the Sinking Fund account or accounts. All monies deposited into the accounts shall be deposited, held, and secured as public funds in accordance with the public depository laws of the State of Indiana; provided, that monies therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code 5-13-9, Indiana Code 5-1.2-1 through 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 (as applicable), and the acts amendatory thereof and supplemental thereto, and in the event of such investment, the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance. Nothing in this section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts continued or created by this Ordinance, except that (a) the Sinking Fund and the Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the Waterworks, and (b) the other Funds and Accounts of the Waterworks shall be maintained as a separate bank account from the other funds and accounts of the Town, including, without limitation, any other funds or accounts for any other utility of the Town beyond the Waterworks; provided, however, to the extent the Town does not maintain separate accounts or subaccounts for the revenues and expenses of the Waterworks, it covenants and agrees that it has adopted sufficient accounting and/or bookkeeping practices to accurately track all revenues and expenses of the Waterworks.

Section 15. Trust Arrangement Authorized. If any Bonds are sold to the Authority as part of the IFA Program, the Sinking Fund and the Construction Account may be held by a financial institution acceptable to the Authority as a part of its IFA Program, 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 in accordance with Section 12, 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 the Paying Agent for such Bonds. If the Construction Account is so held in trust, the Town shall deposit the proceeds of such 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 the Clerk-Treasurer to execute and deliver an agreement with a financial institution to reflect this trust arrangement for all or a part of the Sinking Fund and 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 16. Investment of Funds. All of the amounts in the funds and accounts created or continued pursuant to this Ordinance shall be deposited in lawful depositories of the State and shall be continuously held and secured or invested as provided by the laws of Indiana relating to the depositing, securing, holding and investing of public funds, including particularly Indiana Code 5-13-9 as amended and supplemented, including pursuant to Indiana Code 5-1.2-1 through 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 (as applicable). The amounts in the Bond and Interest Account and all other funds and accounts created or continued pursuant to this Ordinance shall be kept in separate bank accounts apart from all other bank accounts of the Town. In no event shall any of the revenues of the Waterworks be transferred or used for any purpose not authorized by this Ordinance so long as any of the bonds of the Waterworks 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(b) hereof) and shall be used only as provided in this Ordinance.

Section 17. Books of Records and Accounts. The Town shall keep proper books of records and accounts separate from all of its other records and accounts (a) 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 (b) to meet the requirements of the Sinking Fund and all other financial transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the Waterworks prepared by the State Board of Accounts. There shall be prepared and furnished upon written request, to any owner of the Bonds at the time then outstanding, but not more than ninety (90) days after the close of each fiscal year, complete financial statements of the works covering the preceding fiscal year, which annual statements shall be certified by the Clerk-Treasurer or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of at least five percent (5%) of the Bonds 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 any Bonds are sold to the Authority as part of its IFA Program, the Town shall establish and

maintain the books and other financial records of the Project (including the establishment of a separate bank account or subaccount for the Project) and the waterworks in accordance with (a) generally accepted governmental accounting standards for utilities, on an accrued basis, as promulgated by the Government Accounting Standards Board, and (b) the rules, regulations, and guidance of the State Board of Accounts; provided, however, to the extent the Town does not maintain separate accounts or subaccounts for the revenues and expenses of the Waterworks, it covenants and agrees that it has adopted sufficient accounting and/or bookkeeping practices to accurately track all revenues and expenses of the Waterworks. In such event, no moneys derived from the revenues of the Waterworks shall be transferred to the general fund of the Town or be used for any purpose not connected with the Waterworks.

Section 18. Rates and Charges. The Town, to the fullest extent permitted by law, shall establish, fix, maintain, and collect reasonable and just rates and charges for the use of and the services rendered by the Waterworks so that such rates and charges shall produce revenues at least sufficient (when determined including user and other charges, fees, income, or revenues available to the Town, provided that System Development Charges shall be excluded, as and to the extent permitted by law, when determining if such are sufficient so long as the Bonds or any Prior Bonds are outstanding and owned by the Authority as part of its IFA Program) in each year to: (a) pay all the legal and other necessary expenses of (i) Operation and Maintenance (as defined in the Financial Assistance Agreement) if the Bonds are sold to the Authority as part of the IFA Program, or (ii) operation, repair, replacements, and maintenance of the Waterworks if sold to any other purchaser; (b) provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) provide a debt service reserve on bonds or other obligations, including leases, as required by the terms of such obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements; (f) provide money for the payment of any taxes that may be assessed against the Waterworks; and (g) comply with and satisfy all covenants contained in this Ordinance and any Financial Assistance Agreement.

So long as any of the Bonds are outstanding, none of the facilities and services afforded by the Waterworks shall be furnished without a reasonable and just charge being made therefor. The reasonable cost and value of any facility or service rendered to the Town, or to any department, agency, or instrumentality thereof by the Waterworks by furnishing water for public purposes or by maintaining hydrants and other facilities for fire protection, shall be: (a) charged against the Town; and (b) paid for in monthly installments as the service accrues out of the current revenues of the Town, collected or in the process of collection, and the tax levy of the Town made by it to raise money to meet its necessary current expenses. The revenue so received shall be deemed to be revenue derived from the operation of the Waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the Waterworks.

Section 19. Defeasance. If:

(a) when the bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the bonds for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the bonds then outstanding shall be paid; or

(b) (i) sufficient moneys, (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 issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's Waterworks.

Section 20. Additional Bonds. The Town reserves the right to authorize and issue Future Parity Bonds, payable out of the Net Revenues of its Waterworks, 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 Waterworks, or for refunding all or a portion of the Bonds or any bonds ranking on a parity with the Bonds, subject to the following conditions:

(a) The interest on and principal of all bonds or other obligations payable from the Net Revenues of the Waterworks shall have been paid to date in accordance with the terms thereof, and all credits required to be made to the Sinking Fund and the accounts thereof shall have been made to date. The Reserve Requirement shall be satisfied for the Future Parity Bonds either at the time of delivery of the Future Parity Bonds or over a five-year or shorter period in a manner which is commensurate with the requirements established in Section 12 of this Ordinance.

(b) The Net Revenues of the Waterworks in the fiscal year immediately preceding the issuance of any such Future Parity Bonds (provided, within the ninety-day (90-day) period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) ranking on parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued, or, prior to the issuance of said Future Parity Bonds, the Waterworks rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations (provided, within the ninety-day (90-day) period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued. For purposes of this subsection, the records of the Waterworks shall be analyzed and all showings shall be prepared by a certified public accountant employed by the Town for that purpose. In addition, for purposes of this subsection, with respect to any Future Parity Bonds issued while the Bonds or any Prior Bonds remain outstanding and owned by the Authority as part of its IFA Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its written

consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Future Parity Bonds without satisfying this subsection (b).

(c) The principal or mandatory sinking fund requirements of said Future Parity Bonds shall be payable on January 1, and the interest on said Future Parity Bonds shall be payable on January 1 and July 1 in the years in which such principal and interest are payable.

(d) If any Bonds are sold to the Authority as part of its IFA Program, (i) the Town obtains 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 Waterworks permits, except for noncompliance, the elimination of which is a purpose for which the Future Parity Bonds, including any refunding bonds, are issued, so long as such issuance constitutes part of an overall plan to eliminate such noncompliance.

Section 21. Additional Covenants of the Town. To further safeguard the interests of the owners of the Bonds herein authorized, 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 Waterworks 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 Waterworks 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 herein authorized are outstanding, the Town shall maintain insurance coverage acceptable to the Authority (if any Prior Bonds, Bonds or BANs are sold to or owned by the Authority as part of its IFA Program) 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. Insurance proceeds and condemnation awards shall be used in replacing or repairing the property destroyed or damaged, unless the Authority shall consent to a different use of such proceeds or awards if any Prior Bonds, Bonds or BANs are sold to or

are owned by the Authority as part of its IFA Program, or, if no Bonds or BANs are sold to or are owned by the Authority as part of its IFA Program and such proceeds or awards are not used for such purposes, such proceeds or awards shall be treated and applied as Net Revenues of the works.

(e) So long as any of the Bonds or BANs are outstanding, the Town shall not mortgage, pledge, or otherwise encumber such works, or any part thereof, nor shall it sell, lease, or otherwise dispose of any portion thereof, except to replace equipment which may become worn out or obsolete, provided that the Town shall obtain the prior written consent of the Authority if any Prior Bonds, Bonds or BANs are sold to the Authority as part of its IFA Program.

(f) Except as otherwise specifically provided in Section 20 hereof, if any Prior Bonds, Bonds or BANs are sold to the Authority as part of its IFA Program, 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 Waterworks 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 Waterworks.

(g) Except as hereinbefore provided in Section 20 hereof, so long as any of the bonds herein authorized are outstanding, no Future Parity Bonds or other obligations pledging any portion of the revenues of the Waterworks shall be authorized, executed, or issued by the Town except such as shall be made subordinate and junior in all respects to the bonds herein authorized, unless all of the bonds herein authorized are redeemed, retired, or defeased pursuant to Section 19 hereof coincidentally with the delivery of such Future Parity Bonds or other obligations.

(h) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs, if any, for the uses and purposes herein set forth and, so long as any of the Bonds are outstanding, the provisions of this Ordinance shall also be construed to create a trust in the Net Revenues of the Waterworks herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of such Fund as set forth in this Ordinance. The owners of the Bonds and BANs, if any, shall have all of the rights, remedies, and privileges provided in the Act and under Indiana law, including the right to have a receiver appointed to administer said Waterworks 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.

(i) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Bonds or BANs, all of the terms of which shall be enforceable at law or in equity, and after the issuance of the Bonds and BANs, if any, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights and interests of the owners of the Bonds or BANs. Further, the Town Council shall not adopt any law, ordinance, or resolution which in any way would adversely affect the rights of such owners so long as any of the principal of or interest on the Bonds or BANs remains unpaid. Except with respect to amendments described in Section 24(a)-(g) hereof, however, this Ordinance may be amended pursuant to Section 24 (i) without the consent of the

owners of the Bonds or BANs 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 BANs, and (ii) as otherwise permitted pursuant to Section 24; provided, however, that if any Bonds or BANs are sold to and owned by the Authority as part of its IFA Program, the Town shall obtain the prior written consent of the Authority.

(j) For purpose of this Section 21, 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 payments made from the revenues of the Waterworks, 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 22. 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 at a restricted yield (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds or BANs, or the tax-exempt status of interest on the Bonds or 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 continued 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 23. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs, if any, from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Town represents, covenants, and agrees that:

(a) No person or entity, other than the Town or another state or local governmental unit, will use proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by 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 take-or-pay or 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.

(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, if any, from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond or 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.

(e) All officials, officers, members, employees, and agents of the Town are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Town as of the date that the Bonds or BANs are issued, and to make covenants on behalf of the Town evidencing the commitments made herein and to do all such other acts necessary or appropriate to carry out this Ordinance. In particular and without limiting the foregoing, any and all appropriate officials, officers, members, employees, and agents of the Town are authorized to certify and/or enter into covenants on behalf of the Town regarding (i) the facts and circumstances and reasonable expectations of the Town as of the date that the Bonds or BANs are issued, and (ii) the commitments made herein by the Town regarding the amount and use of the proceeds of the Bonds or BANs.

(f) The Clerk-Treasurer is hereby authorized to employ consultants and attorneys from time to time to advise the Town with respect to the requirements under federal law for the continuing preservation of the exclusion of interest on the Bonds or BANs from gross income for purposes of federal income taxation, as described in this Section 23.

(g) The Town represents that:

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

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

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

(iv) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town and all units subordinate to the Town, including on-behalf-of issuers and subordinate entities as those terms are defined in Regulations Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000 in calendar year 2025; and

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

Therefore, the Town may meet the requirements of Section 148(f)(4)(D) of the Code and in that case, will not have to rebate any arbitrage profits to the United States. The Town's rebate obligation, if any, will be determined and set forth in the closing certificates of the Town delivered at the time of the delivery of the Bonds.

Section 24. Supplemental Ordinances. Without notice to or consent of the owners of the bonds 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 or BANs herein authorized any additional benefits, rights, remedies, powers, authority, or security that may lawfully be granted to or conferred upon the owners of the Bonds or BANs herein authorized 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 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 or BANs;

(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 BANs; and

(vi) Any other purpose which, in the judgment of the Town, does not adversely affect the interests of the owners of the Bonds or BANs.

Subject to the terms and provisions contained in this Section 24, 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 or BANs 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 any Bonds or BANs are sold to the Authority as part of its IFA Program, 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 or BAN issued pursuant to this Ordinance; or
- (b) A reduction in the principal amount of any Bond or BAN or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond or Bonds (or BAN or BANs) issued pursuant to this Ordinance over any other Bond or Bonds (or BAN or BANs) issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds or BANs required for consent to such supplemental ordinance; or
- (f) The extension of mandatory sinking fund redemption dates, if any; or
- (g) A reduction in the Reserve Requirement.

The owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds or BANs outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer. No owner of any Bonds or BANs issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Ordinance of the Town and all owners of Bonds or BANs 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 or BANs authorized by this Ordinance, and the terms and provisions of the Bonds or BANs 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 or BANs issued pursuant to this Ordinance then outstanding.

Section 25. Repeal of Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 26. 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 or BANs or the exclusion of interest on the Bonds or 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.

Section 27. Qualified Tax-Exempt Obligations. The Bonds (and BANs, if any) are hereby designated as “qualified tax-exempt obligations” for the purposes of Paragraph (3) of Section 265(b) 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 such term is used 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 the Town or otherwise on behalf of the Town or subordinate entities during calendar year 2025 does not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Town or otherwise on behalf of the Town or subordinate entities have been or shall be designated “qualified tax-exempt obligations” during calendar year 2025. The designation set forth in this Section 26 as to the Bonds or BANs may be revoked by the Clerk-Treasurer.

Section 28. Disclosure. The Bonds (other than Bonds sold to the Authority as part of its IFA Program) may be offered and sold pursuant to an Official Statement with respect to the 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 Council hereby authorizes the Town Council President and 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 the 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 an agreement in connection with the offering of the 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 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 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.

Section 31. Partial Invalidity. 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.

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Introduced at the regular meeting of the Morgantown Town Council on February 10, 2025.

Passed and adopted by majority vote of the Morgantown Town Council on the 10<sup>th</sup> day of March, 2025.

TOWN COUNCIL OF THE TOWN OF  
MORGANTOWN, INDIANA

  
\_\_\_\_\_  
Joe Blevins, President

ATTEST:

  
\_\_\_\_\_  
Sharon McIntosh, Clerk-Treasurer

## EXHIBIT A

### **Project Description**

The Project shall include the construction, acquisition, renovation, installation, and equipping of improvements to the waterworks system of the Town, including all or any portion of the following:

1. The construction and installation of new water mains in the Town, including but not limited to the construction and installation of BCWU Connection #1 – Southeast (Washington Street and County Line Road) and BCWU Connection #2 - Northeast (County Line Road & Sycamore Street).

2. The replacement, improvement, construction, and installation of new and existing water mains in the Town and certain abandonment projects in the Town, including but not limited to such projects located at Church Street (Elm to Clark Street), Highland Street (South of Gibson), Park Street (Church Street to Highland Street), water main abandonment/retirement of the 4-inch water main on Highland Street, Clark and Hoosier Streets, and Gibson Street (Hoosier to Highland Street).

3. The decommissioning, replacement, improvement, construction, and installation of existing water treatment plants and wells throughout the Town.

4. The replacement, improvement, construction, and installation of new and existing fire hydrants and valves throughout the Town.

5. Any and all project and improvements related to the above.

**EXHIBIT B**

**Form of Financial Assistance Agreement**

[Attached]