

ORDINANCE NO. 8-C-25

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF HUNTINGTON, INDIANA AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN IMPROVEMENTS FOR THE WATERWORKS SYSTEM OF THE CITY OF HUNTINGTON, INDIANA, THE ISSUANCE OF REVENUE BONDS TO PROVIDE THE COST THEREOF, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SYSTEM, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SUCH REVENUE BONDS AND OTHER MATTERS CONNECTED THEREWITH, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, AND REPEALING ORDINANCES INCONSISTENT HEREWITH.

WHEREAS, the City of Huntington, Indiana (the “City”), has heretofore established, constructed and financed a municipal waterworks system for the purpose of providing for the distribution of water to the City residents and users (the “System”) pursuant to IC 8-1.5 et seq., as in effect on the issue date of the bond anticipation notes or the bonds, as applicable, which are authorized herein (the “Act”); and

WHEREAS, the Common Council of the City (the “Common Council”) hereby finds: (i) that the acquisition, construction, extension and installation of certain improvements for the System, as set forth in Exhibit A (the “Project”), are necessary; (ii) that plans, specifications and cost estimates for the Project (the “Engineering Reports”) have been prepared by the engineers employed by the City (the “Engineers”), for plans, specifications, detailed descriptions and estimates of the costs of the necessary improvements and extensions to the System, and (iii) that the Engineering Reports have been previously adopted by the Common Council and have been or will be submitted to all government authorities having jurisdiction, particularly the Indiana Department of Environmental Management (“IDEM”), if and to the extent IDEM approval is required under Indiana law, and has been approved by the aforesaid government authorities; and

WHEREAS, the estimates prepared and delivered by the Engineers with respect to the costs of acquisition, construction, extension and installation of certain improvements for the System, and including all authorized expenses relating thereto, including the costs of issuance of waterworks bonds and bond anticipation notes on account thereof, will be in the estimated amount not to exceed \$51,000,000, to be financed by the issuance of revenue bonds and bond anticipation notes in an amount not to exceed \$51,000,000; and

WHEREAS, the City has received bids for the construction of the Project, and such bids will be subject to the determination to acquire, construct and install the Project and obtaining funds for the Project; and

WHEREAS, the Common Council finds that there are insufficient funds available to pay the cost of the Project, and that cost of the Project is to be financed by certain available funds on hand, if necessary, and through the issuance of its waterworks revenue bonds, in one or more series (the “Bonds”), in a principal amount not to exceed \$51,000,000, and, if necessary, its bond anticipation notes (the “BANs”); and

WHEREAS, the Common Council finds that there are outstanding bonds of the waterworks designated as the “Waterworks Refunding Revenue Bonds of 2021” (the “2021 Bonds”), which 2021 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the Common Council adopted on October 12, 2021 Ordinance No. 16-C-21 which authorized the 2021 Bonds (the “2021 Ordinance”); and

WHEREAS, the 2021 Ordinance allow for the issuance of additional bonds payable from revenues of the System and ranking on parity with the 2021 Bonds; and

WHEREAS, other than the 2021 Bonds, the City has no outstanding revenue bonds or other pledges against the Net Revenues of the System; and

WHEREAS, the City may enter into a Financial Assistance Agreement, Funding Agreement, Financial Aid Agreement and/or Grant Agreement, together with any subsequent amendments thereto (substantially in the form of Exhibit C attached hereto and made a part hereof) (collectively, the “Financial Assistance Agreement”) with the Indiana Finance Authority (the “Authority”) as part of its drinking water revolving loan program, supplemental drinking water and wastewater assistance program, water infrastructure assistance program and/or water infrastructure grant program, established and existing pursuant to IC 5-1.2-1 through 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 (collectively, the “IFA Program”), 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 Common Council understands that for the Project to be permitted to be financed under the IFA Program, the City must (a) agree to own, operate and maintain the System and the Project for the duration of their useful life and (b) represent and warrant to the Authority that the City has no intent to sell, transfer or lease the System or the Project for the duration of their useful life; and

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

WHEREAS, the City 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 City will not need approval of the Indiana Utility Regulatory Commission prior to the issuance of the Bonds and BANs herein authorized; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the BANs and the Bonds on a parity basis with the 2021 Bonds have been complied with in accordance with the provisions of the Act; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF HUNTINGTON, INDIANA, THAT:

SECTION 1. Authorization of Project. The Common Council shall proceed with the completion of the Project in accordance with the Engineering Report, which is now on file in the office of the Clerk-Treasurer of the City (the "Clerk-Treasurer" or "Fiscal Officer"), and is hereby adopted and approved, and by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein. Two (2) copies of the Engineering Report are on file in the office of the Clerk-Treasurer and open for public inspection pursuant to IC 36-1-5-4. The aggregate cost of the Project shall not exceed the sum of \$51,000,000, plus investment earnings on the proceeds of the BANs and the Bonds, without further authorization from the Common Council. The term "System," "works", "utility", "waterworks" and other like terms where used in this Ordinance shall be construed to mean the City's existing Waterworks system (and its Drinking Water System as defined in the Financial Assistance Agreement) and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired, and all other items as defined in the Act, whether from the proceeds of the Bonds or BANs herein authorized or otherwise; provided, however, that if the Bonds or BANs are purchased pursuant to the terms of the Financial Assistance Agreement, such terms shall mean the Drinking Water System (as defined in the Financial Assistance Agreement). The Project is hereby approved and shall be constructed and the BANs and the Bonds shall be issued pursuant to and in accordance with the Act. The Project shall be carried out in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. The Common Council hereby orders the Project, and the issuance of the Bonds under the Act, in the amount necessary to pay the Costs of the Project, pursuant to and in accordance with the Act, Indiana Code 5-1-14, Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5 and other applicable laws relating to the issuance of revenue bonds. The City reasonably expects to reimburse expenditures for the Project with proceeds of the Bonds and this Ordinance constitutes a declaration of official intent pursuant to Treasury Regulation 1.150-2(e) and Indiana Code 5-1-14-6(c).

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 City, the Common Council hereby (i) agrees to own, operate and maintain the System and the Project for the duration of their useful life and (ii) represents and warrants to the Authority that the City has no intent to sell, transfer or lease the System or the Project for the duration of their useful life.

SECTION 2. Issuance of BANs and Bonds.

(a) The City shall issue, if necessary, bond anticipation notes (the "BANs") for the purpose of procuring interim financing to pay the cost of the Project, and, if deemed appropriate, the costs of issuance of the BANs. The City may issue the BANs in one or more series, in an aggregate amount not to exceed \$51,000,000 to be designated "Waterworks Bond Anticipation Notes, Series 20__" (with such further or different series designation as may be necessary or appropriated). The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of \$1,000 or any integral multiple thereof or \$1.00 or any integral multiple thereof consistent with the requirements of the IFA Program. The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed six percent (6.0%) per annum (the exact rate or rates to be determined through negotiations with the purchasers

of the BANs) payable at maturity, redemption or semi-annually on January 1 and July 1. Each series of BANs will mature no later than five (5) years after their date of delivery, unless determined otherwise by the Clerk-Treasurer with the advice of a municipal advisor hired by the City (the "Municipal Advisor"). The BANs are subject to renewal or extension at an interest rate or rates not to exceed six percent (6.0%) per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

(b) The BANs shall be issued pursuant to IC 5-1-14-5, as amended, if sold to a financial institution or any other purchaser, unless sold to the Authority as part of the IFA Program. The BANs shall be sold at a price not less than 99.5% of the principal amount thereof. The City shall pledge to the payment of the principal of and interest on the BANs, the proceeds from the issuance of the Bonds pursuant to and in the manner prescribed by the Act. The interest on the BANs may also be payable from the (i) Waterworks Net Revenues (defined as gross revenues, inclusive of System Development Charges (as hereinafter defined), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance and excluding transfers for payments in lieu of property taxes) derived of the System, including all such Waterworks Net Revenues from the existing System, the Project and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside into the Waterworks Sinking Fund as herein provided (the "Net Revenues"). For purposes of this Ordinance, (i) "System Development Charges" shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges of the System that are available for deposit under this Ordinance and (ii) all references herein to the "Net Revenues" or "Net Revenues of the System" shall be inferred to include both the Waterworks Net Revenues generated by the Waterworks. The BANs shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana (the "State") subject to the provisions for registration herein. 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.

(c) The City shall issue the Bonds, in one or more series, in an aggregate principal amount not to exceed \$51,000,000 to be designated "Waterworks Revenue Bonds, Series 20__," (with such further or different series designation as may be necessary or appropriate) for the purpose of procuring funds to pay the cost of the Project and the refunding of the BANs, if issued, and the issuance costs of the Bonds or the BANs, if issued, as determined by the Clerk-Treasurer, with the advice of the Municipal Advisor. The Bonds shall be issued and sold at a price not less than 99.5% of the par value thereof. The Bonds shall be sold by the Clerk-Treasurer pursuant to IC 5-1-11, as amended, unless sold to the IFA Program or the Indiana Bond Bank. The Bonds shall be issued in fully registered form in authorized denominations of \$1,000 or any integral multiple thereof or, if sold to the Authority as part of its IFA Program, \$1.00 or any integral multiple thereof consistent with the requirements of the IFA Program. The Bonds shall be lettered and numbered consecutively from R-1 and upward, originally dated the date of delivery, and shall bear interest at a rate or rates not exceeding six percent (6.0%) per annum. Interest is payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or July 1 following the issuance of the Bonds, all as determined by the Clerk-Treasurer, with the advice of the Municipal Advisor. The Bonds shall mature semiannually, or shall be subject to mandatory sinking fund redemption if term bonds are issued, on January 1 and July 1 of each year over a

period ending no later than thirty-five (35) years after the dated date of any such Bonds (as determined under the Financial Assistance Agreement for any Bonds sold to the Authority as part of its IFA Program), and in such amounts as will allow the City to meet the coverage and/or amortization requirements of the IFA Program if sold to the Authority as part of its IFA Program. Such debt service schedule for any Bonds sold to the Authority as part of its IFA Program shall be finalized and set forth in the Financial Assistance Agreement. For any Bonds not sold to the Authority as part of its IFA Program, such Bonds may mature in amounts that will produce as level debt service as practicable with Five Thousand Dollar (\$5,000) denominations. The amount of Bonds issued shall be determined by the Mayor of the City (the "Executive") and the Clerk-Treasurer, with the advice of the City's Municipal Advisor after fixing the amount of the funds of the utility, if any, now on hand to be applied to the cost of the Project.

(d) The Bonds will be payable solely out of and constitute a first charge against the Net Revenues of the System ranking on parity with the 2021 Bonds.

(e) Interest on the BANs and the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

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

(g) All or a portion of the Bonds may be aggregated into and issued as one or more term bonds. The term bonds will be subject to mandatory sinking fund redemption with sinking fund payments and final maturities corresponding to the serial maturities described above. Sinking fund payments shall be applied to retire a portion of the term bonds as though it were a redemption of serial bonds, and, if more than one term bond of any maturity is outstanding, redemption of such maturity shall be made by lot. Sinking fund redemption payments shall be made in a principal amount equal to such serial maturities, plus accrued interest to the redemption date, but without premium or penalty. For all purposes of this Ordinance, such mandatory sinking fund redemption payments shall be deemed to be required payments of principal which mature on the date of such sinking fund payments. Appropriate changes shall be made in the definitive form of the Bonds, relative to the form of the Bonds contained in this Ordinance, to reflect any mandatory sinking fund redemption and optional redemption terms.

SECTION 3. Registrar and Paying Agent; Book Entry Only Provisions. The Clerk-Treasurer is authorized to select and appoint a qualified financial institution to serve as the Registrar and the Paying Agent for the BANs and the Bonds, which registrar is hereby charged with the responsibility of authenticating the BANs and the Bonds. The Clerk-Treasurer is hereby

authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of the Registrar and the Paying Agent for the BANs and the Bonds. The Clerk-Treasurer is further authorized to pay such fees as the institution may charge for the services it provides as the Registrar and the Paying Agent, and such fees may be paid from the Bond and Interest Account, as hereinafter defined.

As to any purchaser of the Bonds that does not object to such designation, the Clerk-Treasurer shall serve as the Registrar and the Paying Agent and is hereby charged with the duties of the Registrar and the Paying Agent.

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

Interest on the Bonds or BANs sold to the Authority shall be paid from the dates of payment for the Bonds or BANs. Interest on Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such Bonds are authenticated after the Record Date for an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the Record Date for the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

Each BAN or Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such BAN or Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered BAN or BANs or Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefore. The costs of such transfer or exchange shall be borne by the City; provided, however, that the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a

condition precedent to the exercise of the privilege of making such exchange or transfer. The City, the Registrar and Paying Agent for the Bonds or the BANs may treat and consider the person in whose name the BANs or the Bonds are registered as the absolute owner thereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal thereof, the premium, if any, and interest due thereon.

Interest on the Bonds, which are authenticated on or before the Record Date, which precedes the first interest payment date, shall be paid from their original issue date; provided that interest on the Bonds sold to the Authority shall begin to accrue commencing from the dates of payment on the Bonds. Interest on the Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date, in which case the interest shall be paid from such interest payment date.

The BANs or the Bonds may be issued in book-entry-only form as one fully registered BAN or Bond per maturity registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, and DTC may act as securities depository for the BANs or the Bonds. In that event, the purchase of beneficial interests in the BANs or the Bonds will be made in book-entry-only form in the denomination of \$100,000 or more or in the denomination of \$5,000 or any multiple thereof, respectively. Purchasers of beneficial interests will not receive certificates representing their interests in the BANs or the Bonds purchased. As long as DTC or its nominee, Cede & Co., is the registered owner of the BANs or the Bonds, payments of principal, premium, if any, and interest will be made when due directly to such registered owner in same-day funds wired by the Paying Agent in accordance with the procedures set forth in the Blanket Issuer Letter of Representations made by the City to DTC.

SECTION 4. Redemption of BANs and Bonds.

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

(b) The Bonds are redeemable at the option of the City on any date, but no sooner than ten (10) years after their date of delivery for any Bonds sold to the Authority, on thirty (30) days' notice, in whole or in part, in any order of maturity (or in the case of any Bonds sold to the Authority, on sixty (60) days' notice and in inverse order of maturity) and by lot within a maturity selected by the City, at the par amount thereof, together with a premium not greater than 2%, plus, in each case, accrued interest, if any, to the date fixed for redemption; provided however if the Bonds are sold to the IFA Program and registered in name of the Authority, the Bonds shall not be redeemable at the option of the City unless and until consented by the Authority. The exact redemption dates and premiums shall be established by the Clerk-Treasurer, with the advice of the Municipal Advisor.

(c) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term

bonds maturing on the same date which have previously been redeemed (other than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

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

(e) Notice of redemption shall be given not less than thirty (30) days (or in the case of any Bonds sold to the Authority, not less than sixty (60) days) prior to the date fixed for redemption for Bonds, unless such redemption notice is waived by the owner of the Bond or Bonds to be redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is forty-five (45) days (or in the case of any Bonds sold to the Authority, not less than sixty-five (65) days) prior to such redemption date for Bonds. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

(f) The BANs and the Bonds shall be called for redemption in multiples of their minimum authorized denomination. The BANs and the Bonds in denominations of more than the minimum authorized denomination shall be treated as representing the number of BANs and Bonds, respectively, obtained by dividing the denomination of the BAN and the Bond, respectively, by the minimum authorized denomination within a maturity. The BANs and the Bonds may be redeemed in part. In the event of redemption of BANs and Bonds in part, upon surrender of the BAN or the Bond to be redeemed, a new BAN or BANs or Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the BAN or the Bond surrendered shall be issued to the registered owner thereof.

The City may receive payment for the Bonds and BANs in installments. With respect to any Bonds sold to the Authority as part of the 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 City or (b) proceeds remain in the Project Fund and are not applied to the Project (or any modifications or additions thereto approved by IDEM and the Authority) as of the date no additional amounts may be drawn under the Financial Assistance Agreement, the remaining Bond maturities shall be reduced in a manner that will effect as level debt service as practicable for such remaining maturities and in a manner consistent with the manner in which the initial maturities were fixed, consistent with the Financial Assistance Agreement.

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the IFA Program (including without limitation (1) any forgivable loans, grants or other assistance whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto and (2) one or more series or combination of series of Bonds and/or BANs). If required by the IFA Program to be eligible for such financial assistance, one or more of the series of Bonds or BANs issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, including any that may hereafter be issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of each series of Bonds and the BANs of each series and BANs issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

SECTION 5. Execution and Authentication of the BANs and the Bonds; Pledge of Net Revenues to the Bonds. The BANs and the Bonds shall be executed in the name of the Executive by the manual or facsimile signature of the Executive and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of the City, if any, to each of the BANs and the Bonds manually or shall have the seal imprinted or impressed, if any, thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the BANs and the Bonds. The BANs and the Bonds must be authenticated by an authorized officer of the Registrar or by the Clerk-Treasurer if the Clerk-Treasurer is acting as the Registrar. The Bonds, the 2021 Bonds, and any parity bonds issued in the future by the City which are payable from the Net Revenues of the System in accordance with the restrictions imposed by this Ordinance (the "Future Parity Bonds"), as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the System, on a parity with the 2021 Bonds. The City shall not be obligated to pay the principal of and interest on the Bonds, except from the Net Revenues of the System (except to the extent payable from the proceeds of the Bonds), and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State.

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

SECTION 7. Preparation and Sale of BANs and Bonds. The Clerk-Treasurer is hereby authorized and directed to have the BANs and the Bonds prepared, and the Executive and the Clerk-Treasurer are hereby authorized and directed to execute the BANs and the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the BANs and the Bonds to the purchasers thereof after the sale made in accordance with the provisions of this Ordinance, provided that at the time of such delivery, the Clerk-Treasurer shall collect the full amount which the purchasers have agreed to pay therefore, which amount shall not be less than the applicable minimum percentage of the par value of the BANs or the Bonds set forth in Section 2 of this Ordinance. The City may receive payment for the BANs and the Bonds in installments. The Bonds, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the System to be set aside into the Waterworks Sinking Fund as provided herein. The proceeds derived from

the sale of the BANs and the Bonds and the investment income therefrom shall be and are hereby set aside and appropriated to pay the costs of the Project, the refunding of the BANs, if applicable, and the expenses necessarily incurred in connection with the issuance of the BANs and the Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

SECTION 8. Bond Sale Notice; Official Statement.

(a) If the BANS or Bonds are to be sold at a competitive sale, the Clerk-Treasurer shall cause to be published either (i) a notice of bond sale in the authorized newspaper(s) for the City of Huntington, Indiana, two (2) times, at least one week apart, with the first publication being made at least fifteen (15) days before the date of the sale and the second publication being made at least three days before the date of the sale or (ii) a notice of intent to sell bonds in the authorized newspaper(s), all in accordance with IC 5-1-11, as amended, and IC 5-3-1, as amended. The notice shall state the character, the amount and the authorized denominations of the Bonds, the maximum rate or rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the City shall deem advisable. Any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a financial surety bond in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State, and such bond must be submitted to the City prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then the purchaser is required to submit to the City a certified or cashier's check (or wire transfer such amount as instructed by the City) not later than 3:30 p.m. (City time) on the next business day following the award. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then such good faith deposit and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default. Bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8) or one-one hundredth (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than the applicable minimum percentage of the par value of the Bonds set forth in Section 2 of this Ordinance will be considered. The opinion of Bond Counsel approving the legality of the Bonds will be furnished to the purchaser at the expense of the City.

(b) The Bonds shall be awarded by the Clerk-Treasurer to the best bidder who has submitted its bid in accordance with the terms of this Ordinance, IC 5-1-11, as amended, and the notice. The best bidder will be the one who offers the lowest interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities and deducting the premium bid, if any, or adding thereto the discount bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time, no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

(c) Distribution of an Official Statement (preliminary and final) when and if prepared by the Municipal Advisor, on behalf of the City, is hereby authorized and approved and the Executive is authorized and directed to execute the Official Statement in a form consistent with this Ordinance. The Executive and the Clerk-Treasurer are authorized to deem the Preliminary Official Statement as “final” for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

(d) As an alternative to public sale, the City may negotiate the sale of one or more series of the Bonds and/or the BANs to the Indiana Bond Bank or the Authority. In the event of such determination of sale to the Authority as part of the IFA Program, the Executive and Fiscal Officer with the advice of the City’s Municipal Advisor are hereby authorized to (i) submit an application to the IFA Program, (ii) negotiate the terms of and execute and deliver a Financial Assistance Agreement between the City and the Authority pursuant to Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5 (in a form substantially similar to that attached hereto as Exhibit C, but with such changes in form or substances as such officials may approve and are consistent with the terms of this Ordinance, as conclusively evidenced by their signature thereof) (including any amendment thereof), and (iii) sell one or more series of the Bonds and/or BANs to the Authority upon such terms as are acceptable to the Executive and the Fiscal Officer consistent with the terms of this Ordinance. The Financial Assistance Agreement (including any amendment thereof) for one or more series of the Bonds and/or BANs and the Project shall be executed by either the Executive or Fiscal Officer and the Authority. The substantially final form of Financial Assistance Agreement attached hereto as Exhibit C is hereby approved by the Common Council.

SECTION 9. Use of Proceeds. The accrued interest and the premium, if any, received at the time of the delivery of the Bonds shall be deposited in the Waterworks Sinking Fund (the “Waterworks Sinking Fund”). The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds, shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as “City of Huntington, Waterworks Construction Account 2025” (the “Construction Account”). The funds in each of such special accounts shall be deposited, held, secured or invested in accordance with the laws of the State relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, IC 5-1.2-1 through 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, and the acts amendatory thereof and supplemental thereto. The funds in such special account or accounts shall be expended only for the purpose of paying the costs of issuance of the BANs or the Bonds, the cost of the Project, refunding all or a portion of the BANs, if issued, or as otherwise required by the Act. The cost of obtaining the legal services of Bond Counsel shall be considered a part of the costs of issuance of the BANs and the Bonds.

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

(b) Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall subject to (c) below either (1) be deposited in the Waterworks Sinking Fund and used solely for the purposes of said Fund or (2) be used for the same purpose or type of project for which the BANs or the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

(c) With respect to any series of Bonds sold to the Authority, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Department and the Authority), the City shall reduce the principal amount of the Bond maturities to effect such reduction in a manner that will still achieve as level as annual debt service as practicable as described in Section 2(c) subject to and upon the terms forth in the Financial Assistance Agreement.

SECTION 10. Revenues. All income and revenues derived from the operation of the System (including any System Development Charges) shall be deposited upon receipt in the Waterworks Revenue Fund (the "Revenue Fund") hereby continued from the 2021 Ordinance. The Revenue Fund shall be maintained separate and apart from all other accounts of the City. All moneys deposited in the Revenue Fund may be invested in accordance with IC 5-13-9 IC 5-1.2-1 through 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, as amended, and other applicable laws. Out of said Revenue Fund the proper and reasonable expenses of operation and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars or paying agents shall be paid, the reserve fund shall be funded and the costs of replacements, extensions, additions and improvements to the System shall be paid. No moneys derived from the revenues of the waterworks shall be transferred to the general fund of the City or be used for any purpose not connected with the waterworks.

SECTION 11. Operation and Maintenance Fund. There is hereby continued from the 2021 Ordinance a fund known as the Operation and Maintenance Fund (the "Operation and Maintenance Fund"). There shall be credited on or before the last day of each calendar month a sufficient amount of the revenues of the waterworks so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the System for the then next succeeding two (2) calendar months. The 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, depreciation, replacements, improvements, extensions or additions. Any moneys in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Waterworks Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the Bonds of the waterworks.

No moneys derived from the revenues of the System shall be transferred to the general fund of the City or be used for any purpose not connected with the System so long as any bonds payable from the revenues of the System are outstanding.

SECTION 12. Waterworks Sinking Fund. (a) A special fund designated the "Waterworks Sinking Fund" is hereby continued from the 2021 Ordinance, designated and constituted the sinking fund, as required by the Act, for the payment of the principal of and premium, if any, and interest on the Bonds, the Bonds and any Future Parity Bonds, or any other bonds subordinate thereto, and for the payment of any fiscal agency charges in connection with the payment of bonds. After meeting the requirements of the Operation and Maintenance Fund set forth above, there shall be set aside and paid into the Waterworks Sinking Fund monthly, as available, a sufficient amount of the Waterworks Net Revenues, as defined in this Ordinance and including any System Development Charges, for the payment of (a) the interest on the Bonds, issued hereunder, the 2021 Bonds, and any Future Parity Bonds, which by their terms are payable from the revenues of the

System, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the principal of and interest on the Bonds, issued hereunder, the 2021 Bonds, and any Future Parity Bonds and (c) the principal of the Bonds, issued hereunder, the 2021 Bonds, and the Future Parity Bonds which by their terms are payable from the revenues of the System, as such principal shall fall due.

(b) Bond and Interest Account. There is hereby continued from the 2021 Ordinance within the Waterworks Sinking Fund a Waterworks Bond and Interest Account (the "Bond and Interest Account"). Beginning on the date of issuance of the Bonds, there shall be transferred from the Revenue Fund and credited on or before the last day of each month to the Bond and Interest Account an amount of the Net Revenues equal to at least (i) one-sixth (1/6) of the interest on all the then outstanding Bonds payable from the Net Revenues on the next succeeding interest payment date and (ii) one-sixth (1/6) of the principal on all the then outstanding Bonds payable on the next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding interest and principal payment date shall have been so credited. There should similarly be credited to the account any amount necessary to pay the bank fiscal agency charges on the Bonds as the same became payable. The City shall, from the sums deposited in the Waterworks Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or bank fiscal agent sufficient monies to pay the principal and interest on the due date thereof together with the amount of bank fiscal agency charges.

In no event shall any part of the Waterworks Sinking Fund be used in calling bonds for redemption prior to their respective maturities, except to the extent that the amount then in the Waterworks Sinking Fund exceeds the amount required to pay the bonds which will mature within a period of twelve (12) calendar months next following the date of such redemption, together with all interest on bonds payable in such period. Any such excess of funds above such required level may also be used in purchasing Bonds at a price less than the then-applicable redemption price, with the prior approval of the City. Moneys in the Waterworks Sinking Fund shall not be used for any other purpose whatsoever except as provided in this Ordinance.

SECTION 13. Reserve Account. There is hereby continued from the 2021 Ordinance within the Sinking Fund the Debt Service Reserve Account (the "Reserve Account"). Beginning with the first month after the respective series of Bonds are delivered, the City shall deposit on the last day of each calendar month an amount of Net Revenues into the Reserve Account over a period of 5 years until the balance therein equals but does not exceed the least of (i) the maximum annual debt service on the Bonds, issued hereunder, the 2021 Bonds, and the Future Parity Bonds, (ii) 125% of average annual debt service on the Bonds, the 2021 Bonds, and the Future Parity Bonds or (iii) 10% of the proceeds of the Bonds, the 2021 Bonds, and the Future Parity Bonds (the "Reserve Requirement"). The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds. The balance in the Reserve Account, allocable to the Bonds, shall never exceed the Reserve Requirement.

If the Bonds are sold to the Authority pursuant to its IFA Program, then the Reserve Requirement shall equal the maximum annual debt service on the Bonds, issued hereunder, the 2021 Bonds, and any Future Parity Bonds.

The Reserve Account shall constitute a margin for safety and a protection against default in the payment of principal of and interest on the Bonds, issued hereunder, the 2021 Bonds, and

the Future Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the then outstanding bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the 2021 Bonds, the Bonds issued hereunder, or the Future Parity Bonds then this depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Improvement Fund (as defined herein).

The Waterworks Sinking Fund (containing the Bond and Interest Account and the Reserve Account), or any portion thereof, and the Construction Account, may be held by a financial institution acceptable to the Authority as part of its IFA Program, pursuant to terms acceptable to the Authority. If the Waterworks Sinking Fund and the accounts therein, or any portion thereof, are so held in trust, the City, for and on behalf of the City, shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account in accordance with Section 12 of this Ordinance and the Reserve Account in accordance with Section 13 of this Ordinance, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules applicable to the City's then outstanding Bonds. If the Construction Account is so held in trust, the City, for and on behalf of the City, shall deposit the proceeds of the Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for the Bonds. The Executive and Clerk-Treasurer are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for all or a part of the Waterworks Sinking Fund and the Construction Account in the form of trust agreement as approved by the Executive and Clerk-Treasurer consistent with the terms and provisions of this Ordinance.

SECTION 14. Waterworks Improvement Fund. In the event all required monthly payments into the Waterworks Sinking Fund have been met and there has been accumulated in the Waterworks Sinking Fund, over and above such payments, the Reserve Requirement, and there have been accumulated and reserved funds in an amount sufficient for operation, repair and maintenance of the System for the then next-succeeding two (2) calendar months, and for depreciation, then any available excess revenues of the System may be placed into an improvement fund for the Waterworks (the "Improvement Fund") continued from the 2021 Ordinance. Amounts so deposited may be used to pay transfers for payments-in-lieu of property taxes and the cost of improvements, betterments, extensions, enlargements and additions to the System. No revenues of the System shall be deposited in or credited to the Improvement Fund which will interfere with the required monthly payments into or accumulated in the Waterworks Sinking Fund, or with the requirements as to paying the expenses of or reserving funds for the operation, maintenance and repair of the System and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the next-succeeding twelve (12) calendar months shall be transferred to the Waterworks Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from such Sinking Fund. The City reserves the right to transfer payments-in-lieu of property taxes from the Improvement Fund no more frequently than semi-annually, in accordance with the Act, and only if all required transfers have been made to the Waterworks Sinking Fund and the Accounts of the Waterworks Sinking Fund contain the required balances as of the date the payments-in-lieu of property taxes are paid. If any BANs or Bonds are

sold to the Authority as part of its IFA Program, so long as any of the BANs or Bonds are outstanding, no monies derived from the revenues of the waterworks shall be transferred to the General Fund of the City or otherwise be used for any purpose not connected with the System.

SECTION 15. Maintenance of Accounts: Investments. The Waterworks Sinking Fund shall be deposited into and maintained as a separate account or accounts from all other accounts of the City. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account or separate accounts, but such account or accounts, shall likewise be maintained separate and apart from all other accounts of the City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the Waterworks) and apart from the Waterworks Sinking Fund account or accounts. All moneys deposited in the funds and accounts created or continued by this Ordinance shall be deposited, held and secured as public funds in accordance with the public depository laws of the State; provided that moneys therein may be invested in obligations in accordance with applicable laws, including IC 5-13, IC 5-1.2-1 through 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, as amended or supplemented, and in the event of such investment, the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance. Nothing in this Section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the funds and accounts created or continued by this Ordinance except that (a) the Waterworks Sinking Fund and Construction Account shall be maintained separate 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 other funds and accounts of the City, including, without limitation, any other funds and accounts for any other utility of the City beyond the Waterworks; provided, however, to the extent the City 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 16. Maintenance of Books and Records. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the System, all disbursements made on account of the System and all other transactions relating to the System. There shall be furnished upon written request, to any owner of the Bonds, the most recent audit report of the System prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. If the BANs or the Bonds are sold to the Authority, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the System in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Governmental Accounting Standards Board, and (ii) the rules, regulations and guidance of the State Board of Accounts. If the Bonds are sold to the Authority as part of the IFA Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the utility in accordance with (i) generally accepted governmental accounting standards for utilities on an accrual basis as promulgated by the Governmental Accounting Standards Board, and (ii) the rules, regulations and guidance of the State Board of Accounts.

SECTION 17. Rate Covenant. The City covenants and agrees that, by ordinance of the Common Council, it will establish and maintain just and equitable rates or charges for the use of and the services rendered by said System, to be paid by the owner of each and every lot, parcel of

real estate or building that is connected with and uses said System by or through any part of the System of the City, or that in any way uses or is served by such System, at a level adequate to produce and maintain sufficient revenue (provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient so long as the Bonds are outstanding and owned by the Authority as part of its IFA Program) to provide for the timely payment of debt service on the Bonds, the 2021 Bonds, and any Future Parity Bonds, to provide for the (i) Operation and Maintenance (as defined in the Financial Assistance Agreement) if any Bonds are sold to the Authority as part of the IFA Program or (ii) proper operation, repair and maintenance of the works, as the case may be, and for the payment of the sums required to be paid into the Waterworks Sinking Fund by the Act and this Ordinance, and to comply with and satisfy all covenants contained in this Ordinance and any Financial Assistance Agreement.

SECTION 18. Defeasance of Bonds. If: (i) any of the Bonds shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal, the premium, if any, and the interest, so due and payable upon all of the Bonds or any designated portion thereof then outstanding shall be paid; or (ii) the City shall cause to be held in trust for the purpose of paying when due the principal of, premium, if any, and interest on the Bonds or any designated portion thereof, money, together with direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due, will be sufficient, without reinvestment, to make such payments, and provision shall also be made for paying all fees and expenses for the redemption of such Bonds; then and in that case, such Bonds shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the System.

SECTION 19. Additional BANs and Bonds. The City reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The City reserves the right to authorize and issue Future Parity Bonds for the purpose of financing the cost of future additions to, extensions of and improvements to the System, or to refund obligations, subject to the following conditions:

(a) The principal of and interest on all bonds payable from the Net Revenues of the System shall have been paid in accordance with the terms thereof, and the amounts required to be paid into the Waterworks Sinking Fund shall have been made to date in accordance with the provisions of this Ordinance. 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 (5) year or shorter period, in a manner which is commensurate with the requirements established in Section 13(c) of this Ordinance.

(b) The Net Revenues of the System, adjusted for fixed, known and measurable changes in the fiscal year immediately preceding the issuance of any such Future Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of the then Bonds payable from the Net Revenues and the Future Parity Bonds proposed to be issued; or, prior to the issuance of such Future Parity Bonds, the water rates and charges shall be increased sufficiently so that such increased rates and charges applied to the previous year's operations would have produced Net Revenues for such year equal to not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of the then Bonds payable from the Net Revenues and the Future Parity Bonds

proposed to be issued. For purposes of this subsection, the records of the System shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose.

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

(d) If the Bonds are sold to the Authority: (i) the City obtains the consent of the Authority; (ii) the City 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 City is in compliance with its System 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.

(e) Future Parity Bonds may also be issued to refund less than all of the then Bonds issued pursuant to this Ordinance or ranking on a parity therewith, but any such refunding bonds shall be subject to the conditions in this section unless the bonds being refunded mature within three (3) months of the date of such refunding and no other funds are available to pay such maturing bonds. In computing the maximum annual interest and principal requirements pursuant to subsection (b), the interest on and principal of the refunding bonds shall be substituted for the interest on and principal of the bonds being refunded. Refunding bonds issued under this subsection (e) shall also be subject to the conditions in subsections (a), (c), and (d).

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

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

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

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

(d) So long as any of the BANs or the Bonds are outstanding, the City shall acquire and maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State. As an alternative to maintaining such insurance but only if the Bonds are not sold to the Authority, the City may maintain a self-insurance program with catastrophic or similar coverage

so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities. All insurance or self-insurance proceeds or condemnation proceeds shall be used in replacing or restoring the System provided, if the Bonds are not sold to the Authority, then such proceeds may in the alternative be deposited in the Waterworks Sinking Fund subject to the requirements of this Ordinance.

(e) So long as any of the BANs or the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of the System or any portion thereof or any interest therein, and if the BANs or the Bonds are sold to the Authority, the City shall not do so, without the prior written consent of the Authority. The City shall not sell, lease or otherwise dispose of any part of the System, except for such machinery, equipment or other property as may be replaced or shall no longer be necessary for use in connection with the System, and if the BANs or the Bonds are sold to the Authority, the City shall not do so, without the prior written consent of the Authority.

(f) Except as otherwise specifically provided in Section 18 hereof, so long as any of the BANs or the Bonds are outstanding, no Future Parity Bonds or other obligations pledging any portion of the revenues of the System shall be authorized, executed, or issued by the City, except those as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless the BANs and the Bonds are redeemed or defeased pursuant to Section 4 hereof coincidentally with the delivery of such Future Parity Bonds or other obligations.

(g) If the BANs or the Bonds are sold to the Authority and, except as otherwise specifically provided in Section 18 hereof, the City shall not without the prior written consent of the Authority borrow any money (including, without limitation, any loan from other utilities operated by the City), enter into any lease, contract or agreement or incur any other liabilities in connection with the System, other than for normal operating expenditures, without the prior written consent of the Authority, if such undertaking would involve, commit or use the revenues of the System.

(h) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the BANs and the Bonds, all the terms of which shall be enforceable by any holder of the BANs or the Bonds by any and all appropriate proceedings in law or in equity. After the issuance of the BANs or the Bonds, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the BANs or the Bonds, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution which in any way materially adversely affects the rights of such owners so long as any of the BANs or the Bonds remain outstanding. Except for the changes set forth in Section 22 (a)(1)-(7) of this Ordinance, this Ordinance may be amended, however, without the consent of the BAN or the Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not materially adversely affect the rights of any of the owners of the BANs or the Bonds; provided, however, that if the BANs or the Bonds are sold to the Authority, the City shall obtain the prior written consent of the Authority.

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

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

(j) In addition, any owner of the BANs and the Bonds may, by civil action, protect and enforce rights granted by the Act or under this Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System as described in this Ordinance.

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

(l) For the purpose of this Section 19, the term “lease” shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the System, whether the City 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 21. Investment of Funds.

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

(b) The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts continued by this Ordinance. In order to comply with the provisions of the Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion described above. The Clerk-Treasurer may pay the fees of such consultants or attorneys as operation expenses of the System.

SECTION 22. Amendments with Consent of Bondholders.

(a) Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Common Council of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance or any supplemental ordinance; provided, however, that if the BANs or Bonds are sold to the Authority, the City shall obtain the prior written consent of the Authority; and provided, further, that that nothing herein contained shall permit or be construed as permitting:

- (1) An extension of the maturity of the principal of or the due date of interest on any BAN or Bond; or
- (2) A reduction in the principal amount of any BAN or Bond or the redemption premium or the rate of interest thereon; or
- (3) The creation of a lien upon or a pledge of the revenues or Net Revenues of the System ranking prior to the pledge thereof created by this Ordinance; or
- (4) A preference or priority of any BAN or BANs over any other BAN or BANs or of any Bond or Bonds over any other Bond or Bonds; or
- (5) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (6) A reduction in the Reserve Requirement; or
- (7) The extension of mandatory sinking fund redemption dates for the Bonds, if any.

(b) If the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer, no owner of any Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Common Council from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and the owners of the Bonds, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the owners of all the Bonds then outstanding.

SECTION 23. Issuance of BANs.

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

(b) The Executive and the Clerk-Treasurer are hereby authorized and directed to execute a Bond Anticipation Note Agreement or Financial Assistance Agreement, if any, in such form or substance as they shall approve, acting upon the advice of Bond Counsel. The Executive and the Clerk-Treasurer may take such other actions or execute and deliver such certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as any one of them deem necessary or desirable in connection therewith.

SECTION 24. Continuing Disclosure. If necessary in order for the purchaser of the BANs or the Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Rule”), the Executive and the Clerk-Treasurer are hereby authorized to execute and deliver, in the name and on behalf of the City, (i) an agreement by the City to comply with the requirements for a continuing disclosure undertaking of the City pursuant to subsection (b)(5) or (d)(2) of the Rule, and (ii) amendments to such agreement from time to time in accordance with the terms of such agreement (the agreement and any amendments thereto are collectively referred to herein as the “Continuing Disclosure Agreement”). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The remedies for any failure of the City to comply with and carry out the provisions of the Continuing Disclosure Agreement shall be as set forth therein.

SECTION 25. Other Actions. Each of the proper officers of the City are hereby authorized and directed, for and on behalf of the City to execute and deliver any agreement, certificate or other instrument, including without limitation any financial assistance agreement, escrow agreement, continuing disclosure agreement, agreement with any Bond Insurer, agreement with any Rating Service, preliminary official statement or official statement, or take any other action which such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance, which determination shall be conclusively evidenced by such officer’s having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

SECTION 26. Severability. 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 27. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

SECTION 28. Conflicting Ordinances. All ordinances and parts of ordinances, except for the 2021 Ordinance, insofar as they are in conflict herewith, are hereby repealed; provided, however, that this Ordinance shall not be construed as adversely affecting the rights of the owners of the 2021 Bonds. This Ordinance makes certain technical amendments to the definition of Net Revenues as set forth in Section 2 and the flow of funds set forth in Sections 10 through 14 hereof; however, the Common Council finds that such amendments do not adversely affect the holders of the 2021 Bonds and should not, in any event, be construed as adversely affecting the rights of the holders of the 2021 Bonds.

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

Signature page to follow

A motion to consider for final adoption on the same day of introduction was [NOT OFFERED or NOT SUSTAINED or SUSTAINED] by a vote of ___ in favor and ___ in opposition.

Duly adopted on first reading this ____ day of _____, 2025, by a vote of ___ in favor and ___ in opposition.

Duly adopted on final reading this ____ day of _____, 2025, by a vote of ___ in favor and ___ in opposition.

CITY OF HUNTINGTON, INDIANA by its COMMON COUNCIL

Voting in Favor:

Voting in Opposition:

_____	Charles Chapman (President)	_____
_____	Paul Pike	_____
_____	Todd Johnson	_____
_____	Dave Funk	_____
_____	Dwight Brautigam	_____
_____	Andrew Rensberger	_____
_____	PJ Felton	_____

Attest:

Christi A. McElhaney, Clerk-Treasurer

Presented by me to the Mayor for approval or veto, this ____ day of _____, 2025.

Christi A. McElhaney, Clerk-Treasurer

This ordinance having been adopted by the Common Council and presented to me is [APPROVED or VETOED], this ____ day of _____, 2025.

Richard Strick, Mayor

SCHEDULE OF EXHIBITS

EXHIBIT A - Project Description

EXHIBIT B - Form of Bond

EXHIBIT C – Form of Financial Assistance Agreement

EXHIBIT A

PROJECT DESCRIPTION

The acquisition, construction, extension, improvement, repair, or replacement relating to the City of Huntington, Indiana Waterworks, including but not limited to: (a) the construction of a new water treatment plant located at 2290 Engle Street Huntington, Indiana to replace the existing water treatment plant which will generally include any and all building components, packaged treatment units, backwash equipment, dewatering equipment and controls, electrical, mechanical, piping, site work, tankage, clear well, pumps, disinfection units and other unit processes as necessary to produce safe drinking water; (b) drilling of two (2) new wells.

Additional site improvements will include site piping, earthwork, constructing a new sanitary sewer to replace an existing failing septic system, abandoning old backwash lagoons, and demolishing the existing treatment plant and miscellaneous structures as required.

In addition the City will be replacing public and private lead service lines within their water distribution system to be in compliance with the EPA's Lead and Copper Rule Improvements (LCRI) requirements, as well as those items as provided on the Preliminary Engineering Report (provided by IFA pursuant to the IFA Program) and any related improvements thereto.

EXHIBIT B

FORM OF BOND

(Attached)

No. R-__

[Unless this Bond (as defined below) is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the City of Huntington, Indiana, or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF HUNTINGTON

**CITY OF HUNTINGTON, INDIANA
WATERWORKS REVENUE BOND, SERIES 20__**

Maturity Date	Interest Rate	Original Issue Date	Authentication Date	CUSIP
------------------	------------------	------------------------	------------------------	-------

[See Exhibit A]

Registered Owner:

Principal Sum:

The City of Huntington, Indiana (the “City”), in Huntington County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum specified above[, 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 (as defined below), or its assigns,] on [the Maturity Date set forth above] or [(unless this Bond is subject to and shall have been duly called for redemption and payment as provided for herein)], and to pay interest hereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond, unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, 20__, in which case it shall bear interest from the Original Issue Date, which interest is payable semiannually on the first days of January and July of each year, beginning on _____ 1, 20__. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of and premium, if any, on this Bond is payable at the principal office of _____ (the “Registrar” or the “Paying Agent”), in the _____ of _____ Indiana.] All payments of [principal of, premium, if any, and] interest on this Bond shall be paid

by check mailed one business day prior to the interest payment date] OR [paid by wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority (“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] 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, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by the [Clerk-Treasurer of the City (the “Registrar” or the “Paying Agent”) in the City] [Registrar]. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the City’s Waterworks Revenue Bonds of 20__ (the “Bonds”), shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State, and the City shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues (herein defined as the gross revenues of the System (herein defined as the City’s Waterworks system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired), inclusive of System Development Charges (as defined in the Ordinance) remaining after the payment of the reasonable expense of operation, repair and maintenance of the System) and shall rank on parity with the 2021 Bonds (as defined in the Ordinance).

This Bond is one of an authorized series of Bonds of like tenor and effect, except as to numbering, interest rates per annum and dates of maturity, in the total amount of _____ Dollars (\$ _____) lettered and numbered consecutively from R-1 and upward, issued for the purpose of providing funds to pay the cost of the acquisition of, and the construction and installation of certain improvements to, the System, including, without limitation, the acquisition and installation of necessary equipment therefor and the making of other site improvements related thereto (the “Project”), [to refund interim notes issued in anticipation of the Bonds (the “BANs”)] and to pay the costs of issuance of the Bonds [and the BANs], as authorized by: an ordinance adopted by the Common Council of the City on _____, 2025 (the “Ordinance”), and in strict compliance with the provisions of IC 8-1.5 as in effect on the issue date of this Bond (the “Act”). Capitalized terms not otherwise defined herein have the same meanings as ascribed to them in the Ordinance.

[Reference is hereby made to the Financial Assistance Agreement, as amended from time to time, between the City and the Indiana Finance Authority as to certain terms and covenants pertaining to the Project and this Bond (the “Financial Assistance Agreement”).]

Pursuant to the provisions of the Ordinance and the Act, the principal of and interest on this Bond, the 2021 Bonds, and any bonds hereafter issued ranking on a parity therewith (collectively, the “Bonds”), are payable solely from a sinking fund continued by the Ordinance

(the "Sinking Fund") to be funded from the Net Revenues of the System, except to the extent payable from the proceeds of the Bonds.

The City irrevocably pledges, the entire Net Revenues of the System to the prompt payment of the principal of and interest on the Bonds, the 2021 Bonds and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by the System as are sufficient in each year for the payment of Operation and Maintenance (as defined in the Financial Assistance Agreement) of the System and for the payment of the sums required to be paid into the Waterworks Sinking Fund under the provisions of the Act and the Ordinance. The rates and charges shall be established, to the extent permitted by law, to produce Net Revenues sufficient to pay the annual debt service on all Bonds. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or charges, or if there shall be a default in the payment of the principal of or interest on the Bonds when due, the owner of this Bond shall have all of the rights and remedies provided for in the Act and the Ordinance, including the right to have a receiver appointed to administer the System (but only in the event of a default in the payment of the principal of or the interest on the Bonds when due), and, by civil action, to protect and enforce rights granted by the Act or under the Ordinance in connection with any action or duty to be performed by the City, the Common Council or any officer of the City, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

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

The Bonds maturing on and after _____, _____, are redeemable at the option of the City on _____ or any date thereafter, on sixty (60) days' notice, in whole or in part, in [any][inverse] order of maturity and by lot within a maturity, at face value, [together with the following premiums:

____% if redeemed on _____ 1, 20__ or thereafter
on or before _____, 20__;
____% if redeemed on _____ 1, 20__ or thereafter
on or before _____, 20__;
____% if redeemed on _____ 1, 20__, or thereafter

plus in each case accrued interest to the date fixed for redemption; provided however if the Bonds are sold to the IFA Program and registered in name of the Indiana Finance Authority, the Bonds shall not be redeemable at the option of the City unless and until consented by the Indiana Finance Authority.

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

Year Amount

*

*Final Maturity.]

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

Notice of redemption shall be mailed to the address of the Registered Owner as shown on the registration record of the City, as of the date which is [forty-five (45) days] [sixty-five days] prior to such redemption date, not less than [thirty (30) days] [sixty (60) days] prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

[The Bonds shall be called for redemption in multiples of [\$1] [\$1,000]. The Bonds in denominations of more than [\$1] [\$1,000] shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by [\$1] [\$1,000] within a maturity.] The Bonds may be redeemed in part. In the event of the redemption of the Bonds in part, upon surrender of the Bond to be redeemed, a Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the Registered Owner.

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

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the Registered Owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or its attorney duly authorized in writing, and thereupon a fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the Registered Owner, as the case may be, in exchange therefore. [Except as otherwise provided in the Disclosure Agreement described below, the] [The] City, the Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof, premium, if any, and interest due hereon.

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

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

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

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

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

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

CITY OF HUNTINGTON, INDIANA

[SEAL]

By: _____
Mayor

Attest:

By: _____
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

[_____
 , as Registrar]

[_____ ,
as Registrar

By
Authorized Representative]

ABBREVIATIONS

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

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

(State)

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

ASSIGNMENT

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

(Please print or typewrite name, address and social security or other identifying number of the assignee and insert number for the first named transferee if held by joint account)

the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, as attorney to transfer the within Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

REGISTERED OWNER:

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation or anyone in a representative capacity, proof of authority to act must accompany this assignment.

Signature guaranteed by:

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

EXHIBIT A
CITY OF HUNTINGTON, INDIANA
WATERWORKS REVENUE BOND OF 20__

Year

Principal Amount

EXHIBIT C

FORM OF FINANCIAL ASSISTANCE AGREEMENT