

ORDINANCE NO. 18-2004

An Ordinance concerning the refunding by the Town of Plainfield, Indiana, of its Waterworks Revenue Bonds of 1996; authorizing the issuance of waterworks refunding revenue bonds for such purpose; providing for the collection, segregation and distribution of the revenues of said works and the safeguarding of the interests of the owners of the waterworks refunding revenue bonds; and other matters connected therewith, and repealing ordinances inconsistent herewith

WHEREAS, the Town of Plainfield, Indiana (the "Town") has heretofore established, constructed and financed a municipal waterworks and now owns and operates the waterworks pursuant to IC 81.5; and

WHEREAS, the Town Council of the Town (the "Town Council") now finds that certain hereinafter described outstanding bonds of the waterworks should be refunded to obtain a reduction in interest payments and effect a savings to the Town; that the refunding of said outstanding bonds, together with redemption premium and accrued interest thereon and including all costs related to the funding cannot be provided for out of funds of the waterworks now on hand and the refunding should be accomplished by the issuance of revenue bonds of the waterworks; and

WHEREAS, the Town Council finds that there are certain outstanding bonds of the waterworks designated "Waterworks Revenue Bonds of 1996," dated August 28, 1996 (the "Refunded Bonds"), originally issued in the amount of Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000.00), now outstanding in the amount of Two Million Three Hundred Forty-Five Thousand Dollars (\$2,345,000.00), and maturing annually over a period ending July 1, 2016, which 1996 Bonds constitute a first charge upon the Net Revenues (as hereinafter defined) of the waterworks and on a parity with the Prior Bonds (as hereinafter

defined); and

WHEREAS, the Town Council finds that there is another outstanding bond issue payable out of the revenues of the Town's waterworks, designated "Waterworks Revenue Bonds of 2003," authorized by Ordinance No. 20-2003, adopted August 18, 2003, presently outstanding in the amount of Five Million One Hundred Twenty-Five Thousand Dollars (\$5,125,000.00), issued under date of October 15, 2003 maturing annually over a period ending July 1, 2023, and bearing interest at various rates, depending upon the maturities (the "Prior Bonds"); and

WHEREAS, the Town Council now finds the Refunded Bonds should be refunded pursuant to the provisions of IC 5-1-5 to enable the Town to obtain a reduction in interest payments and effect savings to the Town; and

WHEREAS, The Town Council finds that it is advisable to issue its refunding bonds in an amount not to exceed \$2,560,000 and to use the proceeds, together with funds on hand, to refund the Refunded Bonds and to pay for all costs related to the refunding; and

WHEREAS, the Town Council has been advised that it may be cost efficient to purchase municipal bond insurance for the bonds authorized herein; and

WHEREAS, the Town Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Refunding Bonds on a parity with the Prior Bonds have been complied with in accordance with the provisions of IC 5-1-5 and IC 8-1.5, each as in effect on the date of delivery of the bonds authorized herein (collectively, the "Act");

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PLAINFIELD THAT:

Sec. 1. Issuance of Refunding Bonds; Redemption of Refunded Bonds.

(a) The Town, being the owner of and engaged in operating a waterworks supplying the Town, its inhabitants, and certain residents adjacent thereto with water for public and domestic use, now finds it necessary to provide funds for refunding the Refunded Bonds thereby reducing its interest payment and effecting a savings, as reported by the Town's financial advisor, H.J. Umbaugh & Associates, LLP. The terms "waterworks," "works," "system" and words of like import where used in this ordinance shall be construed to mean and include the existing waterworks system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired.

(b) The Town shall issue its "Waterworks Refunding Revenue Bonds of 2004," in an aggregate principal amount not to exceed \$2,560,000 on a parity with the Prior Bonds for the purpose of procuring funds to be applied to the refunding of the Refunded Bonds, the payment of costs of issuance, and all other costs related to the refunding, including the payment of a premium for municipal bond insurance. The Town shall apply any monies currently held for the payment for debt service on the 1996 Bonds to the refunding as provided in Section 7 hereof.

The Refunding Bonds shall be issued in fully registered form in the denomination of Five Thousand Dollars (\$5,000) each or integral multiples thereof, numbered consecutively from R1 upward, dated as of the first day of the month in which they are sold or the date of delivery, as determined by the Clerk-Treasurer, with the advice of the Town's financial advisor, and interest shall be payable semiannually on January 1 and July 1 in each year, beginning on

January 1, 2005 following delivery of the Refunding Bonds, as determined by the Clerk-Treasurer, with the advice of the Town's financial advisor. Interest shall be calculated on the basis of twelve (12) thirtyday months for a 360 day year. The Refunding Bonds shall be sold at a price not less than 99.0% of the par value thereof, shall bear interest at a rate or rates not to exceed five and one-half percent (5.5%) per annum (the exact rate or rates to be determined in accordance with Section 7 hereof) and shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and the Refunding Bonds shall mature serially in numerical order on July 1 of each year, over a period commencing not later than July 1, 2005 and ending not later than July 1, 2016, in any amount, all as specified by the Clerk-Treasurer and set forth in the Refunding Bonds.

Notwithstanding anything in this Ordinance to the contrary, all or a portion of the Refunding Bonds may be issued as one or more term bonds, upon election of the Underwriter (as herein defined). Such term bonds shall have a stated maturity or maturities of January 1 or July 1 on the dates as determined by the Underwriter, but in no event later than the final serial maturity date of the Refunding Bonds as determined in accordance with the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereafter determined in accordance with the above paragraph.

Sec. 2. Registrar and Paying Agent: Book Entry Provisions. The ClerkTreasurer is hereby authorized to contract with a qualified financial institution to serve as Registrar and Paying Agent for the Refunding Bonds (the "Registrar" or the "Paying Agent"). The Registrar is

hereby charged with the responsibility of authenticating the Refunding Bonds. The ClerkTreasurer is hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The ClerkTreasurer is further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Waterworks Sinking Fund (described herein) as fiscal agency charges.

The principal of the Refunding Bonds shall be payable at the principal corporate trust office of the Paying Agent. All payments of interest on the Refunding Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the fifteenth day of the month preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. 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 be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Refunding Bonds shall be made in lawful money 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.

Each Refunding Bond shall be transferable or exchangeable only upon the books of the

Town kept for that purpose at the principal corporate trust office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Refunding Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Town, except for any tax or governmental charge required to be paid with respect to the exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Town, the Registrar and the Paying Agent for the Refunding Bonds may treat and consider the person in whose name such bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon. The Registrar shall not be required to transfer or exchange any Refunding Bond during the period from the fifteenth day of any calendar month next preceding an interest payment date of such Refunding Bond to such interest payment date, nor to transfer or exchange any Refunding after the publication of or mailing of notice calling such bond for redemption has been made, nor during a period of fifteen days next preceding publication of a notice of redemption of any Refunding Bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the Town and by first class mail to each registered owner of the Refunding Bonds then outstanding, and such resignation will take effect at the end

of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the Town. Any such notice to the Town may be served personally or sent by certified mail, return receipt requested. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Town, in which event the Town may appoint a successor registrar and paying agent. The Town shall notify each registered owner of the Refunding Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Refunding Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the Town the Clerk-Treasurer is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Refunding Bonds. The Clerk-Treasurer is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Waterworks Sinking Fund referred to in Section 13 hereof.

Any predecessor registrar and paying agent shall deliver all of the Refunding Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

The Town has determined that it may be beneficial to the Town to have the Refunding Bonds held by a central depository system pursuant to an agreement between the Town and the

Depository Trust Company, New York, New York ("Depository Trust Company") and have transfers of the Refunding Bonds effected by book-entry on the books of the central depository ("Book Entry System"). The Refunding Bonds may be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Refunding Bonds. In such case, upon initial issuance, the ownership of such Refunding Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Refunding Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the Town and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Refunding Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Refunding Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Refunding Bonds except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Refunding Bond evidencing an obligation of the Town to make payments of the principal of and premium, and if any, and interest on the Refunding Bonds pursuant to this ordinance. The Town

and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Refunding Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Refunding Bonds, (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Refunding Bonds; (iii) registering transfers with respect to such Refunding Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Town's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Town of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Refunding Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Refunding Bonds and all notices with respect to such Refunding Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter to the Town to the Depository Trust Company.

Upon receipt by the Town of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Refunding Bonds shall no longer be restricted to being registered in the register of the Town kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Refunding Bonds shall designate, in accordance with the provisions of this ordinance.

If the Town determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Refunding Bonds, the Town may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Refunding Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Refunding Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the Town and the Registrar to do so, the Registrar and the Town will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Refunding Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing

the Refunding Bonds.

If the Refunding Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Refunding Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Refunding Bonds printed until it shall have received from the Town indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to bondholders by the Town or the Registrar with respect to any consent or other action to be taken by bondholders, the Town or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as said Refunding Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the Town and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Refunding Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Refunding Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this ordinance and the Town and the Registrar and Paying Agent

shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Refunding Bonds, together with the dollar amount of each Beneficial Owner's interest in the Refunding Bonds and the current addresses of such Beneficial Owners.

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

Sec. 3. Redemption of Refunding Bonds. The Refunding Bonds are redeemable at the option of the Town on January 1, 2015, and on any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity determined by the Town and by lot within a maturity, at face value, without premium, plus in each case accrued interest to the date fixed for redemption.

If any Refunding Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Refunding Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Refunding Bonds maturing as term bonds which have previously been redeemed (otherwise than

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

If less than an entire maturity is called for redemption, the bonds to be called shall be selected by lot by the Registrar. Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If some Refunding Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Refunding Bonds for optional redemption before selecting the Refunding Bonds by lot for mandatory sinking fund redemption.

In either case, notice of such redemption shall be given at least thirty (30) days prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Refunding Bond. Such notice shall be mailed to the address of the registered owners as shown on the registration records of the Town as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient

identification of the Refunding Bonds called for redemption. The place of redemption shall be determined by the Town. Interest on the Refunding Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the principal office of the Paying Agent to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the Refunding Bonds so called for redemption shall be surrendered for cancellation.

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

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

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

herein.

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

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF HENDRICKS

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
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**TOWN OF PLAINFIELD
WATERWORKS REFUNDING REVENUE BOND
OF 2004**

REGISTERED OWNER:

PRINCIPAL SUM:

The Town of Plainfield, in Hendricks County, State of Indiana, for value received, hereby promises to pay to the Registered Owner named above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before _____, 200__, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on the first days of January and July in each year, beginning on _____ 1, 200__.

The principal of this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana. All payments of interest on this bond shall be paid by check mailed or delivered one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. 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 by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the bond shall be made in lawful money 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. Interest shall be calculated on the basis of twelve (12) thirtyday months for a 360 day year.

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

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

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

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

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Town of Plainfield, in Hendricks County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Town Council President, its corporate seal to be hereunto affixed, imprinted or impressed by and means and attested manually or by facsimile by its ClerkTreasurer.

TOWN OF PLAINFIELD, INDIANA

By: _____
President, Town Council

[SEAL]

Attest:

ClerkTreasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

as Registrar

By: _____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the Town of Plainfield, of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating _____ Million _____ Hundred _____ Thousand Dollars (\$_____); numbered consecutively from 1 up; issued for the purpose of refunding certain Refunded Bonds (as defined in the hereinafter defined Ordinance), funding a reserve for the bonds and the costs of issuance incurred in connection with the bonds [,including a premium for municipal bond insurance]. This bond is issued pursuant to an ordinance adopted by the Town Council on the ___ day of _____, 2004, as amended, entitled "An Ordinance concerning the refunding by the Town of Plainfield, Indiana, of its Waterworks Revenue Bonds of 1996; authorizing the issuance of waterworks refunding bonds for such purpose; providing for the collection, segregation and distribution of the revenues of said works and the safeguarding of the interests of the owners of the revenue bonds; and other matters connected therewith, and repealing ordinances inconsistent herewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana Code 5-1-5 and 8-1.5, each as in effect on the date of delivery of the bonds (collectively hereinafter the "Act"), the proceeds of which bonds are to be applied solely to said refunding of the Refunded Bonds, including the incidental expenses incurred in connection therewith [,and a premium for municipal bond insurance].

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of said issue, certain now outstanding Waterworks Revenue Bonds in the amount of Five Million One Hundred Twenty-Five Thousand Dollars (\$5,125,000.00) issued under date of October 15, 2003, and maturing serially on July 1 of the years 2004 to 2023 inclusive (the "Prior Bonds"), and any bonds hereafter issued on a parity therewith, are payable solely from the Waterworks Sinking Fund created by Ordinance No. 19-96 (the "Sinking Fund") to be provided from the Net Revenues (defined as the Gross Revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the Town, including the existing works, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. Gross Revenues shall mean all

revenues of the waterworks.

Pursuant to the Ordinance and the Escrow Agreement defined therein, the Town has set aside securities (purchased from the proceeds of the bonds of this issue and funds on hand of the Town) and certain cash in a Trust Account to provide payment of and interest and redemption premium on the Refunded Bonds by the purchase of obligations of the United States of America.

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

The Town of Plainfield further covenants that it will set aside and pay into its Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the Net Revenues of the works for payment of (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount as a margin of safety 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 waterworks on a parity with the Prior Bonds.

The bonds of this issue are redeemable at the option of the Town on January 1, 2015, and on any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Town and by lot within a maturity, at face value, without premium, plus in each case accrued interest to the date fixed for redemption.

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

<u>Date</u>	<u>Amount</u>
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*Final Maturity

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

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration records of the Town, as of the date which is fortyfive (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption unless the notice is waived by the registered owner of this bond. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the Town. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.]

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

This bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the principal corporate trust 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 new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Town, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the bonds as provided in the Ordinance if the Town Council determines, in its sole discretion, that

the amendment shall not adversely affect the rights of any of the owners of the bonds.

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

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

[STATEMENT OF INSURANCE]

ASSIGNMENT

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

Dated: _____

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

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

Sec. 6. Authorization for Preparing and Sale of the Refunding Bonds.

(a) The ClerkTreasurer is hereby authorized and directed to have the Refunding Bonds prepared, and the President of the Town Council and ClerkTreasurer are hereby authorized and directed to execute and attest the Refunding Bonds in the form and manner herein provided. The ClerkTreasurer is hereby authorized and directed to deliver the Refunding Bonds to a purchaser (the "Underwriter") to be selected by either the President of the Town Council, Clerk-Treasurer, or both, with the advice of the Town's financial advisor, to market the Refunding Bonds in accordance with the Purchase Contract (the "Purchase Contract") between the Town and the Underwriter. The substantially final form of the Purchase Contract between the Town and the Underwriter is attached hereto and is hereby approved by the Town Council. The Town Council President and the Clerk-Treasurer are authorized to execute the Purchase Contract and to deliver

the Refunding Bonds to the Underwriter so long as there terms are consistent with this ordinance. Such Purchase Contract shell establish a final principal amount, interest rates, maturity schedule and term bond mandatory redemptions, if any.

(b) The Clerk-Treasurer is hereby authorized to appoint a financial institution to serve as escrow trustee (the “Escrow Trustee”) for the Refunded Bonds in accordance with the terms of the Escrow Agreement between the Town and the Escrow Trustee (the “Escrow Agreement”). The substantially final form of Escrow Agreement attached hereto is hereby approved but the Town Council, and the Town Council President and the Clerk-Treasurer are hereby authorized and directed to complete, execute and attest the same on behalf of the Town so long as its provisions are consistent with this ordinance and the Purchase Contract.

(c) The Refunding Bonds when fully paid for and delivered to the Underwriter, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues, including the existing works, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired to be set aside into the Waterworks Sinking Fund created in Section 13. The proper officers of the Town are hereby directed to sell the Refunding Bonds to the Underwriter, to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

(d) The execution, by either the Town Council President, the Clerk-Treasurer, the Underwriter or the Town’s financial advisor, of a subscription for the United States Treasury Bonds Obligations – State and Local Government Series for investments of proceeds of the Refunding Bonds to be held under the Escrow Agreement in a manner consistent with this

ordinance is hereby approved.

(e) Distribution of an Official Statement (preliminary and final) prepared by H. J. Umbaugh & Associates, LLP on behalf of the Town, is hereby authorized and approved and the Town Council President or Clerk-Treasurer are authorized and directed to execute the Official Statement on behalf of the Town in a form consistent with this ordinance and the Purchase Contract. The Town Council President or Clerk-Treasurer is hereby authorized to designate the preliminary Official Statement as “nearly final” for purposes of Rule 15c2-12 as promulgated by the Securities and Exchange Commission.

(f) In the event the financial advisor to the Town certifies to the Town that it would be economically advantageous for the Town to obtain a municipal bond insurance policy for any of the Refunding Bonds issued hereunder, the Town hereby authorizes the purchase of such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference between the present value cost of (a) the total debt service on the Refunding Bonds if issued without municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. If such an insurance policy is purchased, the President of the Town Council and the Clerk-Treasurer are hereby authorized to execute and deliver all agreements with the provider of the policy to the extent necessary to comply with the terms of such insurance policy and the commitment to issue such policy.

(g) The President and the Clerk-Treasurer are also hereby authorized to execute a continuing disclosure agreement ("Continuing Disclosure Agreement"), which shall be dated the date of issuance and delivery of the Refunding Bonds, as it may be amended from time to time in

accordance with the terms thereof. The Town covenants and agrees, to the extent permitted by law, that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this ordinance, failure of the Town to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder. If the Town fails to comply with the Continuing Disclosure Agreement, the sole remedy available for such failure shall be for the specific performance of the Town's obligations under this section and the Continuing Disclosure Agreement and there shall be no remedies for money damages of any kind or in any amount; however, any bondholder or Beneficial Owner (as hereinafter defined) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Town to comply with its obligations under this paragraph. "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Refunding Bonds (including persons holding bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Refunding Bonds for Federal income tax purposes. The Town's failure to honor its covenant herein shall not constitute a breach or default under this ordinance pursuant to which the Refunding Bonds are issued or any other agreement to which the Town is a party.

Sec. 7. Refunding of the Refunded Bonds and Costs of Issuance. Concurrently with the delivery of the Refunding Bonds, the Clerk-Treasurer shall acquire, with the proceeds of the Refunding Bonds, direct obligations of or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to

be used, together with certain cash from the proceeds of the Refunding Bonds and cash on hand as set forth in the Escrow Agreement, to refund and legally defease the Refunded Bonds all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Clerk-Treasurer shall deposit Government Obligations and certain cash with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide money for payment of the principal of and interest and redemption premium on the Refunded Bonds until the earliest date upon which the Refunded Bonds may be called for redemption.

Costs of issuance of the Refunding Bonds not otherwise paid shall be paid from the remaining proceeds of the Refunding Bonds by the Clerk-Treasurer. When all the costs of issuance of the Refunding Bonds have been paid, the Clerk-Treasurer shall then transfer any amount then remaining from the proceeds of the Refunding Bonds.

The Clerk-Treasurer shall obtain a verification of an accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said refunding and legal defeasance of the Refunded Bonds.

Sec. 8. Accrued Interest. The accrued interest received at the time of delivery of the Refunding Bonds, if any, shall be deposited in the Waterworks Sinking Fund created in Section 13 and used to pay interest on the Refunding Bonds on the first interest payment date thereof.

Sec. 9. Financial Records and Accounts. The Town shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the waterworks and all disbursements made therefrom and all transactions relating to the utility.

Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner of the Refunding Bonds shall have the right, upon request, at all reasonable times to inspect the waterworks system and the records, accounts and data of the Town relating thereto.

Sec. 10. Pledge of Net Revenues. The interest on and the principal of the Prior Bonds, the Refunding Bonds issued pursuant to the provisions of this ordinance, and any Parity Bonds (as hereinafter defined) hereafter issued, shall constitute a first charge on all the Net Revenues and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such Parity Bonds, to the extent necessary for that purpose.

Sec. 11. Revenue Fund. All revenues derived from the operation of the waterworks and from the collection of water rates and charges shall be deposited in the Revenue Fund, previously created by Ordinance No. 19-96, adopted July 8, 1996 (the "Prior Ordinance"), and segregated and kept separate and apart from all other funds and accounts of the Town. Of these revenues the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, as well as the principal and interest of all bonds and fiscal agency charges of registrars or paying agents shall be paid, the reserve shall be funded and the costs of replacements, extensions, additions and improvements to the waterworks shall be paid.

Sec. 12. Operation and Maintenance Fund. An Operation and Maintenance Fund has been previously created by the Prior Ordinance. On the last day of each calendar month, revenues of the waterworks shall be transferred from the Revenue Fund to the Operation and Maintenance Fund. The balance maintained in this Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited

to this Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the waterworks on a daytoday basis, but none of the moneys in such Fund shall be used for depreciation, replacements, improvements, extensions or additions. Any moneys in excess of the expected expenses of operation, repair and maintenance for the next succeeding month in said Fund may be transferred to the Waterworks Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

Sec. 13. Waterworks Sinking Fund.

(a) The Waterworks Sinking Fund (the "Waterworks Sinking Fund" or the "Sinking Fund") has been previously created by the Prior Ordinance and is hereby designated and constituted as the special fund for the payment of the principal of and interest on the Refunding Bonds, as well as the Prior Bonds, and those which may be authorized on a parity with the Refunding Bonds by any future Ordinance (the "Parity Bonds"), and the payment of any fiscal agency charges in connection with the payment of bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the waterworks to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to the final maturity.

The Waterworks Sinking Fund shall be divided for record-keeping purposes into two (2)

separate accounts known as the "2003 Bonds Account" and the "Refunding Bonds Account," however, monies in said fund may be commingled for the purpose of investment and earnings on said fund shall be allocable to each account therein pro rata in accordance with the outstanding principal amount of Prior Bonds and Refunding Bonds, respectively, provided, however, that any earnings on deposits made with respect to the Prior Bonds shall be allocable entirely to the 2003 Bonds Account.

The Waterworks Sinking Fund shall be continued until (i) all of the Prior Bonds, (ii) the Refunding Bonds issued under this Ordinance and (iii) all Parity Bonds, if any, are no longer deemed outstanding.

(b) Bond and Interest Account. Any moneys heretofore accumulated to pay principal and interest for the Refunded Bonds shall be credited to and become part of the Trust Account under the Escrow Agreement and shall be applied on the first payments made from the trust Account. Beginning as of the date of issuance of the Refunding Bonds, there shall be credited on the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to one-sixth ($1/6$) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and onetwelfth ($1/12$) of the principal on all outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on outstanding bonds as the same become payable. The Town shall, from the sums deposited in the Sinking

Fund and credited to the Bond and Interest Account, remit promptly to the registered owners or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges. To the extent necessary, the preceding fractions of 1/6 and 1/12 shall be adjusted for the first interest and principal payments such that the denominator is equal to the number of months remaining prior to such payments so that the full amount of such interest and principal payments will have been set aside prior to the dates of such payments.

(c) Debt Service Reserve Account. The Debt Service Reserve Account has been previously created by the Prior Ordinance. To create a reserve for the Prior Bonds and the Refunding Bonds, certain Refunding Bond proceeds or a combination of Refunding Bond proceeds and monthly deposits of Net Revenues or funds on hand shall be deposited in the Debt Service Reserve Account until the balance therein shall equal, but not exceed, the lesser of the (i) the maximum annual debt service on the Prior Bonds and the Refunding Bonds, (ii) 125% of average annual debt service on the Prior Bonds and the Refunding Bonds or (iii) 10% of the proceeds of the Prior Bonds and the Refunding Bonds (the "Reserve Requirement"). The monthly deposits shall be equal in amount and be sufficient to accumulate the Reserve Requirement within five (5) years from the date of delivery of the Refunding Bonds. The Debt Service Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on outstanding Prior Bonds and the Refunding Bonds, and the moneys in the Debt Service Reserve Account shall be used to pay current principal and interest on outstanding Prior Bonds and the Refunding Bonds to the extent that moneys in the

Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Debt Service Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any interest earnings that accumulate in excess of the Reserve Requirement shall be treated as revenues of the waterworks. The Reserve Requirement may also be funded in whole or in part at any time from available cash on hand and also may be satisfied with cash, a qualified Surety Bond or a confirmation thereof. To the extent that cash is held in the Debt Service Reserve Account, the cash shall be completely drawn down before any demand is made on the Surety Bond.

The Town Council has determined, based upon the advice of its financial advisor, that the Debt Service Reserve Account is reasonably required and that the Reserve Requirement is no larger than necessary to market the Refunding Bonds.

In addition, the Town covenants that, to the extent lawfully possible and necessary to preserve the federal taxexempt status of interest on the Refunding Bonds, it will comply with (i) the terms of any "tax certificate" which it may deliver concurrently with the issuance and delivery of the Refunding Bonds and (ii) any restrictions placed upon the use and investment of the proceeds of the Refunding Bonds by virtue of any federal laws enacted subsequent to the date of issuance and delivery of the bonds, but made retroactively to such date.

Sec. 14. Waterworks Improvement Fund. After meeting the requirements of Sections 12 and 13, any excess Net Revenues shall be transferred or credited from the Revenue Fund to a fund created by the Prior Ordinance and designated the "Waterworks Improvement Fund". As of the date of the refunding of the Refunded Bonds, any other moneys of the waterworks not

otherwise deposited pursuant to the terms of this ordinance shall be transferred to the Waterworks Improvement Fund and used for waterworks capital improvements or for any other lawful purpose. In the event all required payments in the Operation and Maintenance Fund and the Sinking Fund have been met to date, then any excess Net revenues may be transferred or credited to the Waterworks Improvement Fund and said Fund shall be used for improvements, replacements, additions, and extensions to the waterworks or for any other lawful purpose. Moneys in the Waterworks Improvement Fund shall be transferred to the Waterworks Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding Prior Bonds and Refunding Bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Debt Service Reserve Account of the Waterworks Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the waterworks.

Sec. 15. Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Town. The Operation and Maintenance Fund and the Waterworks Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts shall likewise be maintained separate and apart from all other accounts of the Town and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 13, as amended or supplemented, and in the event of such

investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance. The Town further covenants with the owners of the Refunding Bonds that it will not invest the proceeds from the sale of the Refunding Bonds in any manner that would cause the Refunding Bonds to be or become "arbitrage" bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended. In support of the foregoing covenant, the President of the Town Council and/or the ClerkTreasurer are hereby authorized to execute and deliver such agreements (including agreements to rebate to the United States of America excess investment earnings) and certifications as may be required to evidence compliance with Section 148 of the Internal Revenue Code of 1986, as amended, or successor provisions of the law, and any applicable regulations hereafter proposed or promulgated thereunder.

Sec. 16. Defeasance of the Refunding Bonds. If, when the Refunding Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Refunding Bonds or a portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Refunding Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury, the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Refunding Bonds or any

designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's waterworks.

Sec. 17. Rate Covenant. The Town shall establish, maintain and collect reasonable and just rates and charges for facilities and services afforded and rendered by said water utility, which shall to the extent permitted by law produce sufficient revenues at all times to pay all the legal and other necessary expenses incident to the operation of such utility, to include maintenance costs, operating charges, upkeep, repairs, interest charges on bonds or other obligations, to provide the sinking fund and debt service reserve for the liquidation of bonds or other evidences of indebtedness, to provide adequate funds to be used as working capital, as well as funds for making extensions, additions, and replacements, and also, for the payment of any taxes that may be assessed against such utility, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service. So long as any of the Prior Bonds or the Refunding Bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by said system shall be furnished without a reasonable and just charge being made therefor. The Town shall pay like charges for any and all services rendered by said utility to the Town, and all such payments shall be deemed to be revenues of the utility. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, and said requirements of the Sinking Fund. Such rates and charges will be established in amounts sufficient to provide Net Revenues in each fiscal year equal to at least

1.15 times the maximum annual debt service on the Prior Bonds, the outstanding Refunding Bonds and any Parity Bonds.

Sec. 18. Additional Bond Provisions. The Town reserves the right to authorize and issue additional bonds payable out of the Net Revenues of its waterworks ranking on a parity with the Prior Bonds and the Refunding Bonds for the purpose of financing the cost of future additions, extensions and improvements to its waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of the Prior Bonds and the Refunding Bonds payable from the Net Revenues of the waterworks shall have been paid in accordance with their terms.

(b) The Net Revenues of the waterworks in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding Prior Bonds, the Refunding Bonds and the Parity Bonds proposed to be issued; or, prior to the issuance of the Parity Bonds the water rates and charges shall be increased sufficiently so that increased rates and charges applied to the previous years operations would have produced Net Revenues for said year equal to not less than one hundred twentyfive percent (125%) of the maximum annual interest and principal requirements of the then outstanding Prior Bonds and the Refunding Bonds payable from the revenues of the waterworks, including the Parity Bonds proposed to be issued. If the Parity Bonds proposed to be issued are to refund outstanding Refunding Bonds, the Net

Revenues test in this subsection shall be applied only to the maximum annual interest and principal requirements of the refunded Refunding Bonds.

For purposes of this subsection, the records of the waterworks shall be analyzed and all showings prepared by a certified public accountant employed by the Town for that purpose.

(c) The interest on the Parity Bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemptions for, the Parity Bonds shall be payable annually on the first day of July.

Sec. 19. Further Covenants of the Town; Maintenance, Insurance, Pledge Not To Encumber, Subordinate Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the owners of the Refunding Bonds, it is hereby specifically provided as follows:

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

(d) So long as any of the Refunding Bonds are outstanding, the Town shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

As an alternative to maintaining such insurance, the Town may maintain a selfinsurance 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 selfinsurance proceeds shall be used either in replacing or restoring the property destroyed or damaged, or shall be deposited in the Sinking Fund.

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

(f) Except as otherwise specifically provided in Section 18 of this ordinance, so long as any of the Refunding Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the system shall be authorized, issued or executed by the Town, except such as shall be made junior and subordinate in all respects to the bonds, unless all of the bonds are redeemed or defeased coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this ordinance shall constitute a contract by and between the Town and the owners of the Refunding Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Refunding Bonds, this ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the Refunding Bonds, nor shall the Town Council or any other body of the Town adopt any law, ordinance or

resolution in any way adversely affecting the rights of the bondholders so long as any of the Refunding Bonds, or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 20 (a) (f), this ordinance may be amended, however, without the consent of the Refunding Bond owners, only if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Refunding Bonds.

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

Sec. 20. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section 20, and not otherwise, the owners of not less than sixtysix and twothirds percent ($66\frac{2}{3}\%$) in aggregate principal amount of the Refunding Bonds issued pursuant to this ordinance and then outstanding shall have the right from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town

Council of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on, or any mandatory sinking fund redemption date for, any Refunding Bond issued pursuant to this ordinance; or

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

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

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

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

(f) A reduction in the Reserve Requirement.

If the owners of not less than sixtysix and twothirds percent ($66\frac{2}{3}\%$) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the ClerkTreasurer of the Town, no owner of any Refunding Bond issued pursuant to this ordinance shall have any right to object to the

adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town 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 Town and all owners of Refunding Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the Town and of the owners of the Refunding Bonds authorized by this ordinance, and the terms and provisions of the Refunding Bonds and this ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the Refunding Bonds then outstanding.

Sec. 21. Tax Covenants. In order to preserve the exclusion of interest on the Refunding Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Refunding Bonds (the "Code"), and as an inducement to purchasers of the Refunding Bonds, the Town represents, covenants and agrees that:

(a) The waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business.

No person or entity other than the Town or another state or local governmental unit will use more than 10% of the proceeds of the Refunding Bonds or property financed by the Refunding Bond proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by Refunding Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, management or incentive payment contract, arrangements such as takeorpay or output contracts or any other type of arrangement that differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Refunding Bonds. The Town has entered into a management contract for the waterworks. The terms of this contract do comply and will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superceded from time to time, so that the contract will not give rise to private business use under the Code and Regulations unless such use in the aggregate relates to no more than 10% of the proceeds of the Refunding Bonds.

(b) No more than 10% of the principal of or interest on the Refunding Bonds is (under the terms of the Refunding Bonds, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the Town) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Refunding Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Refunding

Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Refunding Bond proceeds.

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

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

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

(g) It shall not be an event of default under this ordinance if the interest on any Refunding Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date

of issuance of the Refunding Bonds, as the case may be.

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

(i) The Town represents that it will rebate as necessary under the Code, all required arbitrage profits to the United States.

(j) The Town represents that:

(1) The Refunding Bonds are not private activity bonds as defined in Section 141 of the Code;

(2) The Town hereby designates the Refunding Bonds as qualified tax exempt obligations for purposes of Section 265(b) of the Code;

(3) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the Town and all entities subordinate to the Town during 2004 does not exceed \$10,000,000; and

(4) The Town has not and will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2004.

Therefore, the refunding Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

Sec. 22. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the "Tax Sections")

which are designed to preserve the exclusion of interest on the Refunding Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the Town receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Sec. 23. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed, but none of the provisions of this ordinance shall be construed as adversely affecting the rights of holders of the Prior Bonds.

Sec. 24. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this ordinance.

Sec. 25. Effective Date. This ordinance shall be in full force and effect from and after its passage.

Passed and adopted by the Town Council of the Town of Plainfield, Indiana this 13th day of September 2004.

PLAINFIELD TOWN COUNCIL

Robin G. Brandgard, President

Kent McPhail

Bill Kirchoff

Daniel W. Fivecoat

Edward L. Gaddie, Jr.

ATTEST:

H. Michael Isaacs, ClerkTreasurer