

Ordinance # 2011- 21
Brownsburg, Indiana
September __, 2011

**AN ORDINANCE AUTHORIZING THE CONSTRUCTION AND
INSTALLATION OF CERTAIN ADDITIONS AND IMPROVEMENTS TO
THE WATERWORKS OF THE TOWN OF BROWNSBURG, THE
ISSUANCE OF REVENUE BONDS TO PROVIDE THE COST THEREOF,
THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE
REVENUES OF SUCH WORKS, THE SAFEGUARDING OF THE
INTERESTS OF THE OWNERS OF SUCH REVENUE BONDS AND
OTHER MATTERS CONNECTED THEREWITH, AND REPEALING
ORDINANCES INCONSISTENT HEREWITH**

WHEREAS, the Town of Brownsburg (the "Town") has heretofore established, constructed and financed a municipal waterworks system in the Town (the "System"), and now owns and operates the System in accordance with I.C. 8-1.5, as in effect on the issue date of the bonds authorized herein (the "Act"); and

WHEREAS, the Town Council (the "Council") now finds: (i) that the construction of certain improvements and extensions to the System, as more fully described in Exhibit "A" attached hereto and made a part hereof (the "Project") are necessary; (ii) that preliminary plans, specifications and cost estimates for the Project (the "Engineering Report") have been prepared by the firm of GRW Engineering, Inc., Indianapolis, Indiana (the "Engineer"), employed by the Town for the construction and installation of the Project; and (iii) that the Engineering Report, in final form, has been or will be submitted for approval to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management ("IDEM"), and all IDEM and approvals required under Indiana Law have been or will be received; and

WHEREAS, the Town has advertised for and received or will advertise for and receive bids for the construction and installation of the Project, and such bids will be subject to the Town's determination to construct and install all or a portion of the Project and are further subject to the Town obtaining funds to pay for the Project; and

WHEREAS, the costs of the Project, including without limitation the cost of acquiring or constructing the works related thereto, the cost of all property, easements, franchises and other rights considered necessary or convenient thereto, interest on the Bonds provided for herein both before and during the Project and for a period not exceeding twenty-four (24) months after completion of the Project, engineering expenses (including without limitation expenses for plans, specifications and surveys), legal expenses, expenses for estimates of costs and revenues, administrative expenses, and other expenses necessary or incidental to determining the feasibility of the Project, financing of the Project (including without limitation the cost of issuance of the Bonds or other obligations, the cost of funding any reasonably required debt service reserves to secure the payment of the Bonds or other obligations, and the cost of any credit enhancement for the Bonds), constructing or acquiring the Project, and placing the Project in operation (such costs of the Project, collectively, the "Costs of the Project"), are in an amount not exceeding Four Million Seven Hundred Fifty-One Thousand Dollars and 00/100 (\$4,751,000.00); and

WHEREAS, the Council finds that there are insufficient funds available to pay the Costs of the Project and that it is necessary to finance the Costs of the Project by the issuance of waterworks revenue bonds in an aggregate principal amount not to exceed \$4,750,000.00 (the "Bonds") along with funds in the amount of One Thousand and 00/100 Dollars (\$1,000.00) currently on hand and available for application to the cost of the Project; and

WHEREAS, the Council finds that (i) there are outstanding bonds payable out of the Net Revenues (as hereinafter defined) of the System designated "Waterworks Revenue Bonds of 2003," dated June 12, 2003 (the "2003 Bonds"), issued pursuant to the Town's Ordinance No. 2003-03 (the "2003 Bond Ordinance") and (ii) that the 2003 Bonds mature annually over a period ending January 1, 2024, and (iii) that the 2003 Bonds constitute a first charge upon the Net Revenues of the System; and

WHEREAS, the Council finds that the 2003 Bond Ordinance anticipates and provides for the issuance of additional bonds on parity with the 2003 Bonds providing that the terms of the 2003 Bond Ordinance are met and complied with; and

WHEREAS, the Council now finds that all conditions precedent to the issuance of parity Bonds have been complied with in accordance with the 2003 Bond Ordinance and the terms of the 2003 Bonds; and

WHEREAS, the Bonds to be issued pursuant to this Ordinance will constitute a first charge against the Net Revenues of the System on parity with the 2003 Bonds, and the Bonds are to be issued subject to the provisions of the laws of the State of Indiana, including, without limitation, the terms and restrictions of this Ordinance and the terms and conditions of the 2003 Bond Ordinance; and

WHEREAS, the Town desires to enter into one or more Financial Assistance Agreements, a draft form of which is attached as Exhibit "B" and made a part hereof, with the Indiana Finance Authority ("Authority") as part of its drinking water loan program established and existing pursuant to IC 4-4-11 and IC 13-18-21 ("DWSRF Program"), pertaining to the Project and the financing of the Project ("Financial Assistance Agreement") if any Bonds are sold to the Authority as part of its DWSRF Program; and

WHEREAS, the System is not subject to the jurisdiction of the Indiana Utility Regulatory Commission; and

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

WHEREAS, the Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds have been complied with in accordance with the provisions of the Act and the 2003 Bond Ordinance; and

WHEREAS, the Town has advanced and anticipates that it will advance a portion of the Costs of the Project and the costs related to the issuance of the Bonds prior to the issuance of the Bonds, with such advances to be repaid from proceeds of the Bonds upon the issuance thereof; 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 Town intends by this Ordinance to qualify amounts advanced by the Town to the Project for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations.

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

Sec. 1 Authorization of Project. The Town shall proceed with the construction of the Project in accordance with the final form of the Engineering Report prepared and filed by the Engineer which Engineering Report, plans and specifications are now on file or will be subsequently placed on file in the office of the Clerk-Treasurer of the Town (the “Clerk-Treasurer”), and are 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 copies of the Engineering Report will be placed on file in the office of the Clerk-Treasurer and be open for public inspection pursuant to IC 36-1-5-4. The Costs of the Project shall not exceed the sum of \$4,751,000.00, plus investment earnings on the Bonds, without further authorization from the Council. The terms "System", "waterworks", "works" and words of like import where used in this Ordinance shall be construed to mean and include the "Drinking Water System" as defined in the Financial Assistance Agreement, and includes the existing waterworks system of the Town 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. The Project is hereby approved and shall be constructed by the Town and the Bonds shall be issued pursuant to and in accordance with the Act.

Sec. 2. Issuance of Bonds.

(a) The Town shall issue the Bonds in an aggregate principal amount not to exceed \$4,750,000.00 to be designated "Waterworks Revenue Bonds, Series _____A," (with the correct year of issuance inserted) which may be structured as draw bonds if so determined by the Clerk-Treasurer, for the purpose of procuring funds to pay the Costs of the Project, and any related costs and issuance costs of the Bonds. Each series of the Bonds shall rank on a parity with the other series (if any) and with the 2003 Bonds for all purposes, included the pledge of Net Revenues under this Ordinance and the 2003 Ordinance. The Bonds shall be issued and sold at a price not less than par value in fully registered form in denominations of \$1.00 or integral multiples thereof, numbered consecutively from R-1 up, originally dated as of the date of delivery, and shall bear interest at a rate or rates not exceeding 6.0% per annum (the exact rate or rates to be determined through public bid or through negotiation with the Authority or the Indiana Bond

Bank). Interest shall be payable semiannually on January 1 and July 1 in each year, commencing on a date determined by the Clerk-Treasurer not later than one (1) year after the date of the issuance of the Bonds. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature semiannually on January 1 and July 1 of each year commencing within one (1) year after substantial completion of the Project, or be subject to mandatory sinking fund redemption on January 1 and July 1, commencing on the same date over a period ending no later than twenty (20) years after substantial completion of the Project (as determined under the Financial Assistance Agreement if sold to the Authority as part of its DWSRF Program), and in such amounts that will allow the Town to meet the coverage and/or amortization requirements of the DWSRF Program. If any Bonds are sold to the Authority as part of its DWSRF Program, such debt service schedules shall be finalized and set forth in the Financial Assistance Agreement. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. The Bonds shall be sold by the Clerk-Treasurer pursuant to IC 5-1-11 and/or IC 5-3-1, as amended, if not sold to the Authority or the Indiana Bond Bank.

(b) The Clerk-Treasurer is authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds (the "Registrar" or "Paying Agent,") which Registrar is hereby charged with the responsibility of authenticating 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 a Registrar and Paying Agent. The Clerk-Treasurer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Waterworks Sinking Fund established herein (hereafter the "Sinking Fund") to pay the

principal of and interest on the Bonds and fiscal agency charges. The Registrar and Paying Agent may at any time resign upon giving thirty (30) days' notice in writing to the Town and by first-class mail to each Registered Owner of the Bonds then outstanding, and such resignation will take effect at the end of such thirty-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 by registered mail. The Registrar and Paying Agent may be removed at any time by action of the President of the Town Council (the "President") and the Clerk-Treasurer, in which event the Town may appoint a successor registrar and paying agent. The Town shall notify each Registered Owner of the Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Upon the appointment of any successor registrar and paying agent by the Town, the Clerk-Treasurer is hereby authorized and directed to enter into such agreements and understandings as will enable it to perform the services required of a registrar and paying agent, and is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides, and such fees may be paid from the Sinking Fund. Any resigning registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

(c) If the Bonds are registered in the name of the Authority or the Indiana Bond Bank, or in the name of any other purchaser that does not object to such designation, the Clerk-Treasurer shall serve as Registrar and Paying Agent and is hereby charged with the duties of Registrar and Paying Agent.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser thereof. Such term bonds shall have a stated maturity or maturities consistent with

the maturity schedule determined in accordance with this Ordinance, in the years as determined by the purchaser thereof, but in no event later than the last serial maturity date of the Bonds as determined by this Ordinance. The terms 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 hereinafter determined in accordance with this Ordinance.

(d) If the Bonds are registered in the name of the Authority or the Indiana Bond Bank, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority or the Indiana Bond Bank on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority is the owner of any Bonds, such Bonds shall be presented for payment as directed by the Authority. If the Bonds are not sold to the Authority or the Indiana Bond Bank, or if wire transfer payment is not required, the principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on 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 such payment (the "Record Date"), 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 on or before such Record Date. 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 time) so such payments are received at the depository by 2:30 p.m.

(New York time). All payments on 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.

(e) Each Bond shall be transferable or exchangeable only upon the books of the Town 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 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 the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Town; provided, however, that the Registrar may make a charge sufficient to reimburse it for any tax, fee or other any 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 for transfer as a condition precedent to the exercise and privilege of making such exchange or transfer. Except as otherwise provided in the Continuing Disclosure Agreement described herein, the Town and the Registrar and Paying Agent for the 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 at, or on account of, the principal thereof and interest due thereon.

(f) Interest on Bonds not sold to the Authority shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of such Bonds, unless such Bonds are authenticated after the fifteenth (15th) 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 such Bonds are authenticated on or before the fifteenth (15th) day of the month preceding the first interest payment date, in which case they shall bear interest from the original date. Interest on the Bonds not sold to the Authority, which are authenticated on or before the Record Date, which precedes the first interest payment date, shall be paid from their original issue date. Interest on Bonds shall be paid from the dates of payment made to the Town for the Bonds sold to the Authority as part of the DWSRF Program. Interest on so much of the principal amount which has been advanced from time to time on Bonds sold to the Authority as part of the DWSRF Program shall begin to accrue from the dates of payment of each respective advance of principal 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.

(g) If the Bonds are not sold to the Authority or the Indiana Bond Bank, the Bonds may be issued in book-entry-only form as one authenticated fully registered Bond 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 Bonds. In such event, the purchase of beneficial interests in 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 interest in the Bonds purchased. As long as DTC or its nominee, Cede & Co., is the registered owner of 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 Town to DTC. Upon delivery by DTC of written notice to the effect that the DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereunder with respect to consents, the words "Cede & Co." in this Ordinance shall refer to such new nominee of the DTC. 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 Bonds, the Town may notify DTC and the Registrar, whereupon DTC will notify the beneficial owners of the availability through the DTC of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds and shall take all other actions necessary to effect the distribution and transfer of such certificates.

Sec. 3. Redemption of Bonds. (a) For any Bonds sold to the Authority or to the Indiana Bond Bank as part of its DWSRF Program, such Bonds are redeemable at the option of the Town, but no sooner than ten (10) years after their date of delivery, or on any date thereafter, on sixty (60) days' notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium not greater than two percent (2%), plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Clerk-Treasurer with the advice of the Town's financial advisor, prior to the sale of the Bonds. For Bonds sold to any other purchaser, such Bonds shall be redeemable at the option of the Town, but no sooner than ten (10) years after the date of Closing, or on any date thereafter, in whole or in part, in the order of maturity as determined by the Town, and by lot within a maturity, on thirty (30) days' notice, at face value, with a premium not greater than two

percent (2%), plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Clerk-Treasurer with the advice of the Town's financial advisor, prior to the sale of the Bonds.

(b) 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 Town, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before sixty-five (65) days preceding the applicable mandatory redemption date if the Bonds are sold to the Authority or the Indiana Bond Bank, or on or before forty five (45) days preceding the applicable mandatory redemption date if the Bonds are sold to any other purchaser.

(c) Each authorized denomination amount of Bonds shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption at one time, the Bonds to be redeemed shall be selected by lot within a maturity by the Registrar. 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.

(d) Notice of redemption shall be given not less than sixty (60) days prior to the date fixed for redemption for Bonds sold to the Authority as part of the DWSRF Program, and not less than thirty (30) days for Bonds sold to any other purchaser, unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the Town as of the date which is sixty-five (65) days prior to such redemption date for Bonds sold to the Authority or the Indiana Bond Bank and as of the date that is forty five (45) days prior to such redemption date for Bonds sold to any other purchaser. 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.

Sec. 4. Execution and Authentication of Bonds, Pledge of Net Revenues to Bonds.

The Bonds shall be executed in the name of the Town by the manual or facsimile signature of the President and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of the Town to each of said Bonds manually or shall have the seal imprinted or impressed 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 said Bonds. The Bonds must be authenticated by an authorized officer of the Registrar, or by the Clerk-Treasurer if the Clerk-Treasurer is acting as Registrar.

The Bonds and any bonds theretofore or hereafter issued on a parity therewith, including

the 2003 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. The Town shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the System, and the Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the Constitution of the State of Indiana.

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

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Town of Brownsburg or its agent for registration of transfer, exchange, or payment, and any certificate 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.]

No. R-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF HENDRICKS

TOWN OF BROWNSBURG

WATERWORKS REVENUE BONDS, SERIES ____A

Maturity	Interest	Original	Authentication
<u> Date </u>	<u> Rate </u>	<u> Date </u>	<u> Date </u>

[See Exhibit "A"]

Registered Owner:

Principal Sum:

The Town of Brownsburg (the "Town"), 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, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the

records of the registered owner making payment for this Bond, or its assigns, on the Maturity Date in the years and in the amounts as set forth on Exhibit A attached hereto (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 rate per annum specified above from the dates of payment made to the Town for this Bond, which interest is payable semiannually on the first days of January and July of each year, beginning on _____, 20___. Interest shall be calculated according to a 360 day calendar year containing twelve 30-day months.

The principal on 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 one (1) business day prior to the interest payment date to the Registered Owner thereof, as of the fifteenth (15th) 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 to be made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. Each payment on this Bond 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.

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

This Bond is [the only] one of an authorized issue of Bonds of the Town, of like tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total amount of _____ Dollars (\$ _____) (the "Bonds"), numbered from R-1 upward, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the Town's waterworks, and to pay incidental expenses and the costs of issuance, as authorized by an Ordinance adopted by the Town Council of the Town of Brownsburg on the ____ day of _____, 2011, entitled "An Ordinance authorizing the construction and installation of certain additions and improvements to the waterworks of the Town of Brownsburg, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of such works, the safeguarding of the interests of the owners of such revenue bonds and other matters connected therewith, and repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with the provisions of IC 8-1.5 and other applicable laws relating to the issuance of revenue bonds, as in effect on the issue date of the Bonds (collectively the "Act").

[Reference is hereby made to the Financial Assistance Agreement between the Town and

the Indiana Finance Authority (the "Authority") as to certain terms and covenants pertaining to the waterworks project and this Bond (the "Financial Assistance Agreement").]

Pursuant to the provisions of the Act and the Ordinance, the principal and interest of this Bond and all other Bonds of this issue, the Town of Brownsburg Waterworks Revenue Bonds of 2003 (the "2003 Bonds") and any bonds hereafter issued on a parity therewith, are payable solely from the Waterworks Sinking Fund continued by the Ordinance, to be provided from the Net Revenues (defined as the gross revenues of the waterworks of the Town remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks now owned or hereafter acquired by the Town.

The Town irrevocably pledges the entire Net Revenues of the waterworks to the prompt payment of the principal of and interest on the Bonds authorized by the Ordinance, of which this is one, the 2003 Bonds 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 service rendered by said waterworks as are sufficient in each year for the payment of the proper and reasonable expenses of Operation and Maintenance [as defined in the Financial Assistance Agreement] of said works and for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the Town or the proper officers of the Town shall fail or refuse to so fix, maintain and collect such rates or charges, or if there shall be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The Town further covenants that it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues of said works to meet (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 the 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 to create and maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the waterworks of the Town.

The Bonds maturing on and after _____ 1, 20__ are subject to redemption on _____ 1, 20__ or any date thereafter, on sixty (60) [thirty (30)] days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at face value, together with the following premiums:

2% if redeemed on _____ 1, 20__,
or thereafter on or before _____, 20__;
1% if redeemed on _____ 1, 20__,
or thereafter on or before _____, 20__,
0% if redeemed on _____ 1, 20__,
or thereafter prior to maturity;

plus accrued interest to the date fixed for redemption.

[The Bonds maturing on _____ 1, 20__ and thereafter 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>Year</u>	<u>Amount</u>
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*

*Final Maturity]

[Each authorized denomination amount of Bonds shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption at one time, the Bonds to be redeemed shall be selected by lot within a maturity by the Registrar. 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 redemption shall be mailed to the address of the registered owner thereof as shown on the registration record of the Town, as of the date which is sixty-five (65) [forty-five (45)] days prior to such redemption date, not less than sixty (60) [thirty (30)] 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 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 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 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 therefor. The Town, the Registrar and any Paying Agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and

interest due hereon.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of [\$5,000] \$1 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 by 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[; provided, however, that if the Bonds are sold to the Authority as part of the DWSRF Program, the Town shall obtain the prior written consent of the Authority].

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

[A Continuing Disclosure Agreement dated as of the Original Issue Date (the “Disclosure Agreement”) has been executed by the Town for the benefit of each registered or beneficial owner of any Bond. A copy of the Disclosure Agreement is available from the Town and its terms are incorporated herein by reference. The Disclosure Agreement contains certain covenants of the Town 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.

It shall not be a default if the interest on this Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision law which is not currently in effect and in existence on the date of issuance of the Bonds.

IN WITNESS WHEREOF, the Town has caused this Bond to be executed in its corporate name and on its behalf by the manual or facsimile signature of the President of its Town Council, and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF BROWNSBURG, INDIANA

By: _____
President

[Seal]

ATTEST:

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

By: _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of 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

TEN. ENT. as tenants by the entireties

JT. TEN. as joint tenants with right of survivorship and not as tenants in common

UNIF. TRANS.
MIN. ACT _____ Custodian _____
(Cust.) (Minor)

under Uniform Transfers to Minors Act of

(State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address)
\$ _____ Principal amount (must be a multiple of \$1, or \$5,000 or any multiple thereof if registered to CEDE & CO.) of the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for the registration thereof with full power of substitution in the premises.

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 whatsoever.

Signature Guarantee:

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

(End of Form of Bonds)

Sec. 6. Preparation and Sale of Bonds; Official Statement. (a) The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the President and the Clerk-Treasurer are hereby authorized and directed to execute the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds to the 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 Bonds set forth in Section 2 hereof. Notwithstanding

anything contained herein, in the event the Bonds are sold to the Authority, the Town may receive payment for the Bonds in installments subject to the Financial Assistance Agreement. The Bonds, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable solely out of the Net Revenues of the System to be set aside in the Sinking Fund as provided herein. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application to the Costs of the Project, including the expenses necessarily incurred in connection with the issuance of the Bonds. The proper officers of the Town 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.

(b) Distribution of an Official Statement (preliminary and final) prepared by H.J. Umbaugh & Associates, on behalf of the Town, is hereby authorized and approved and the President and the Clerk-Treasurer are authorized and directed to execute the Official Statement on behalf of the Town in a form consistent with this Ordinance. The President or the 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 (the “Rule”). In the alternative, the Clerk-Treasurer may obtain an investment letter from the purchaser of the Bonds in a form satisfactory to the Clerk-Treasurer and Bond Counsel for the Town.

Sec. 7. Bond Sale; Additional Financial Assistance. (a) The Clerk-Treasurer may negotiate the sale of the Bonds to the Authority or the Indiana Bond Bank at an interest rate or rates not exceeding 6.0% per annum. The President of the Town Council and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Authority or the Indiana Bond Bank, (ii) execute a purchase agreement with the Indiana Bond Bank, (iii) execute one or more

Financial Assistance Agreements with the Authority and (iv) sell such Bonds upon such terms as are acceptable to the President and the Clerk-Treasurer consistent with the terms of this Ordinance. The substantially final form of Financial Assistance Agreement attached hereto and incorporated herein by reference is hereby approved by the Town Council and the President and Clerk-Treasurer are hereby authorized to execute and deliver the same, and to approve any changes in form or substance to the Financial Assistance Agreement which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by its execution. In the event the Bonds are not sold to the Authority or the Indiana Bond Bank, the Clerk-Treasurer shall sell the Bonds at public sale, all in accordance with I.C. 5-1-11 and/or I.C. 5-3-1. The opinion of Kroger Gardis & Regas, LLP, Indianapolis, Indiana, Bond Counsel, approving legality of the Bonds, will be furnished to the Purchaser of the Bonds at the expense of the Town.

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

Sec. 8. Use of Proceeds. The accrued interest, if any, received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sinking Fund. The remaining proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Town, in a special account or accounts designated as "Town of Brownsburg, Waterworks Construction Account" (the "Construction Account"). All funds deposited to the credit of the Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 4-4-11, IC 5-13-9 and I.C. 13-18-21, and all acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the Costs of the Project, or as otherwise required by the Act or for the expenses of issuance of the Bonds. The cost of obtaining the legal services of Kroger Gardis & Regas, LLP shall be considered as a part of the Costs of the Project on account of which the Bonds are issued.

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 such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of said Sinking Fund or used as otherwise allowed by IC 5-1-13, as amended and supplemented or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

With respect to any Bonds sold to the Authority as part of its DWSRF Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down

by the Town, or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved the Authority), the Town shall reduce the principal amount of the remaining Bond maturities to effect such reduction in amounts which will still achieve the annual debt service as described in Section 2 subject to and upon the terms set forth in the Financial Assistance Agreement.

Sec. 9. Revenue Fund. There was established under the 2003 Ordinance and is hereby continued a fund known as the Revenue Fund (the "Revenue Fund") into which all income and revenues of the System shall be deposited upon receipt. The Revenue Fund shall be maintained separate and apart from all other funds and bank accounts of the Town. The proper and reasonable expenses of operation, repair and maintenance of the System, the requirements of the Waterworks Sinking Fund, and the cost of replacements, extensions, additions and improvements to the System shall be paid from the Revenue Fund. All moneys deposited in the Revenue Fund may be invested in accordance with IC 4-4-11 and IC 5-13-9 and other applicable laws. No moneys derived from the revenues of the System shall be transferred to the general fund of the Town or be used for any purpose not connected with the System.

Sec. 10. Operation and Maintenance Fund. There was established under the 2003 Ordinance and is hereby continued a fund designated as the Operation and Maintenance Fund (the "Operation and Maintenance Fund"). On the last day of each calendar month, revenues of the System shall thereafter 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 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 System on a day-to-day

basis, but none of the moneys in such fund shall be used for depreciation, replacements, improvements. Any balance 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 Sinking Fund if necessary to prevent a default in the payment of principal or interest on any outstanding bonds payable from the revenues of the System.

Sec. 11. Waterworks Sinking Fund. (a) There was established under the 2003 Ordinance and is hereby continued a sinking fund designated the "Waterworks Sinking Fund" (previously defined as the "Sinking Fund") for the payment of the principal of and interest on revenue bonds, which by their terms are payable from the Net Revenues of the System, and the payment of any fiscal agency charges in connection with the payment of such bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the System to meet the requirements of the Bond and Interest Account and Reserve Account created in the 2003 Ordinance and hereby continued in the Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Reserve Account described below, equals the principal of and interest on all of the then outstanding bonds payable from the Net Revenues of the System to the final maturity thereof.

(b) Bond and Interest Account. There shall be credited on the last day of each calendar month to the Bond and Interest Account an amount equal to the sum of one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date, and one-sixth (1/6) of the amount of principal payable on the then outstanding bonds which will be payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding principal and interest payment dates shall have

been so credited. There shall similarly be credited to the Bond and Interest Account any amount necessary to pay the bank fiscal agency charges for paying 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 owner or to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. On the date of delivery of the Bonds, or any other bonds payable from the Reserve Account, funds on hand of the System, proceeds of the Bonds or such other bonds, or any combination thereof, may be deposited into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) maximum annual debt service on the Bonds, the 2003 Bonds and any other parity bonds of the Town payable from the Net Revenues of the System that may be hereafter issued ("Parity Bonds"), (ii) 125% of the average annual debt service on the Bonds, the 2003 Bonds and any other Parity Bonds or (iii) 10% of the proceeds of the Bonds, the 2003 Bonds and any other Parity Bonds (the "Reserve Requirement"). Notwithstanding the foregoing, if any Bonds are sold to the Authority as part of its DWSRF Program, the Debt Service Reserve Requirement shall mean the maximum annual debt service on the 2003 Bonds, the Bonds and any Parity Bonds. If the initial deposit into the Reserve Account does not equal the Reserve Requirement, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds. The Reserve Account shall constitute the margin for safety and a protection against default in the payment of principal and interest on the Bonds, the 2003 Bonds and any other Parity

Bonds, provided that the Reserve Requirement is increased proportionately, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds, the 2003 Bonds and any other Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiencies in credits to the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds, the 2003 Bonds or any other 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 may be used for the redemption of bonds or prepayment of installments of principal on fully registered bonds which are then callable or prepayable, or for the purchase of outstanding bonds or installments of principal of fully registered bonds, or shall be transferred to the Waterworks Improvement Fund.

(d) If any Bonds are sold to the Authority as part of the DWSRF Program, the Sinking Fund, containing the Bond and Interest Account and the Reserve Account, and the Construction Account may be held by a financial institution acceptable to the Authority as a part of its DWSRF Program, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the Town shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Reserve Account in accordance with this Section 11, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the Town's outstanding bonds. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for such Bonds. If the Construction Account is so held in trust, the Town shall deposit the proceeds

of such Bonds therein until such proceeds are applied consistent with this Ordinance and the Financial Assistance Agreement. The Town Council hereby authorizes the President and Clerk-Treasurer to execute and deliver an agreement with a financial institution to reflect this trust arrangement for all or a part of the Sinking Fund and the Construction Account in the form of a trust agreement as approved by the President and the Clerk-Treasurer, consistent with the terms and provisions of this Ordinance.

Sec. 12. Improvement Fund. There was established under the 2003 Ordinance and is hereby continued a Waterworks Improvement Fund (the “Improvement Fund”). After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues may be transferred or credited to the Improvement Fund. The Improvement Fund shall be used for improvements, replacements, additions and extensions of the waterworks or for any other lawful purpose. Any other available and unrestricted moneys of the System not otherwise deposited pursuant to the terms of this Ordinance shall be transferred to the Improvement Fund. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on any outstanding bonds payable from the Sinking Fund or if necessary to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the System.

Sec. 13. Maintenance of Accounts. 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 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 applicable laws, including particularly IC 4-4-11, I.C. 5-13 and I.C. 13-18-21, 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.

Sec. 14. Maintenance of Books and Records. The Town shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the System and all disbursements made on account of the System, as well as all transactions relating to the System. There shall be prepared and furnished, upon written request, to any owner of the Bonds, within thirty (30) days of such request, copies of all such statements and reports, together with all audits of the System made available to the Town by the Indiana State Board of Accounts or any successor body authorized by law to audit municipal accounts. All such reports shall be kept on file in the office of the Clerk-Treasurer. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the System and all records, accounts, statements, audits, reports and data of the Town relating to the System. Such inspections may be made by representatives duly authorized by written instrument.

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

Board of Accounts.

Sec. 15. Rate Covenant. The Town covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the System, which shall, to the extent permitted by law, produce and maintain sufficient revenue to provide for the proper Operation and Maintenance (as defined in the Financial Assistance Agreement) of the System, to comply with and satisfy all covenants contained in this Ordinance and the Financial Assistance Agreement and to pay all obligations of the System and of the Town with respect to the System. Such rates and 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 and Maintenance of the System and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of the System by and service rendered to the Town, and shall be paid by the Town or the various departments thereof as such charges accrue.

Sec. 16. Defeasance of Bonds. If, when any of the Bonds or any 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 Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof 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 of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or any designated portion thereof shall no longer be deemed

outstanding or entitled to the pledge of the Net Revenues of the System.

Sec. 17. Additional Bond Provisions. The Town reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of the System, ranking on parity with the Bonds, for the purpose of financing the cost of future additions, extensions and improvements to the System, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this Ordinance and the interest on and principal of all bonds payable from the Net Revenues of the System shall have been paid in accordance with their terms. The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 11 of this Ordinance.

(b) The Net Revenues of the System in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds payable from the Net Revenues of the System and the additional Parity Bonds proposed to be issued; or, prior to the issuance of such Parity Bonds, the rates and charges for users of the System shall be increased sufficiently so that said 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 interest and principal requirements of all bonds payable from the Net Revenues of the System, including the additional Parity Bonds proposed to be issued. For purposes of this subsection all showings shall be prepared by a certified public accountant retained by the Town for that purpose.

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

(d) If the Bonds are sold to the Authority as part of its DWSRF Program, (i) the Town obtains the consent of the Authority, (ii) the Town has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance, and (iii) the Town is in compliance with its System permits, except for non-compliance for which purpose such bonds are issued, including any refunding bonds issued prior to, but part of the overall plan to eliminate such noncompliance.

Sec. 18. Further Covenants. For the purpose of further safeguarding the interests of the holders of the Bonds, it is specifically provided as follows:

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

(b) The Project shall be constructed under the supervision and subject to the approval of such competent engineer as shall be designated by the Town. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Town.

(c) So long as the 2003 Bonds or any of the Bonds herein authorized are outstanding, the Town shall at all times maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) If the Bonds are sold to the Authority through its DWSRF Program, so long as the 2003 Bonds or any of the Bonds herein authorized are outstanding, the Town shall maintain insurance coverage acceptable to the Authority on the insurable parts of the System, of a kind and in an amount such as normally carried by private companies engaged in a similar type of business. All such insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used to replace or repair the System unless the Authority consents to a different use of such proceeds or awards.

(e) If the Bonds are not sold to the Authority, the Town shall not mortgage, pledge or otherwise encumber the System, or any portion thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except equipment or property which may become worn out, obsolete or no longer suitable for use in the System. If such Bonds are sold to the Authority through its DWSRF Program, so long as any of the Bonds are outstanding, the Town shall not sell, transfer, lease or otherwise encumber the System, or any portion thereof, or any interest therein without the prior written consent of the Authority.

(f) If the Bonds are sold to the Authority through its DWSRF Program, the Town shall not borrow any money, enter into any 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 Net Revenues of the System.

(g) Except for bonds or other obligations issued in accordance with Section 17, so long as any of the 2003 Bonds or the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the Net Revenues of the System shall be authorized, executed, or issued by the Town except such as shall be made subordinate and junior in all respects to the 2003 Bonds and the Bonds herein authorized, unless all of the 2003 Bonds and the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 16 hereof coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Bonds herein authorized, and after the issuance of the Bonds, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights of the owners of the Bonds nor shall the Town Council or any other body of the Town adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds or the interest thereon remain unpaid. Except for the changes set forth in Section 22(a)-(g), this Ordinance may be amended, however, without the consent of Bond owners, if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds; provided, however, that if the Bonds are sold to the Authority, the Town 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 Bonds for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the 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 the Sinking Fund set forth in this Ordinance. The

owners of 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 the Town shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain the System and to apply properly the revenues derived from the operation thereof, or if there shall be a default in the payment of the principal of or interest on any of the Bonds.

(j) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the Town derived from any sources other than the proceeds of the Bonds herein authorized and the revenues from operation of the System.

Sec. 19. Investment of Funds. (a) The Clerk-Treasurer is hereby authorized pursuant to IC 5-1-14-3 to invest moneys pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

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

Sec. 20. Non-Compliance with Tax Covenants. Notwithstanding any other provision of this Ordinance, any covenants and authorizations contained in this Ordinance which are designed to preserve the exclusion of interest on the 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 compliance with such covenants or authorizations are not necessary to preserve the Tax Exemption.

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

(a) No person or entity other than the Town or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or property financed by the 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 Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds as the case may be. If the Town enters into a management contract for the waterworks, the terms of the contract will comply with IRS Revenue Procedure 97-13, as amended by Revenue Procedure 2001-39, and as such may be amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds.

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, secured by an

interest in property used or to be used for any private business use or payments in respect of 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 Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

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

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

(f) The Town will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the 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 Bonds to be treated as 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 Bond

is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

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

(i) The Town represents that it will rebate any arbitrage profits to the United States of America, to the extent required by the Code.

(j) The Town represents that the Bonds are not private activity bonds as defined in Section 141 of the Code.

Therefore, the 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. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 18(h), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that if the Bonds are sold to the Authority, the Town shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues or Net Revenues of the System ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond issued over any other Bond or Bonds; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement; or
- (g) The extension of mandatory sinking fund redemption dates, if any.

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

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

Sec. 23. Rate Ordinance. The estimates of the rates and charges for the System are set forth in Ordinance No. _____ adopted on _____, 20____, which ordinance is incorporated herein by reference.

Sec. 24. Conflicting Ordinances. All ordinances and parts of ordinances enacted by the Town in conflict herewith are hereby repealed; provided that the adoption of this Ordinance shall not in any way adversely affect the rights of the owners of the 2003 Bonds.

Sec. 25. Appropriation of Proceeds. (a) the proceeds of the Bonds, and all investment earnings thereon, shall be and hereby are appropriated to the payment or reimbursement of any of the Costs of the Project.

(b) Such appropriations shall be in addition to all appropriations provided for in the existing budget and levy for the Town, and shall continue in effect until the completion of the Project. Any surplus of such proceeds shall be credited to the proper fund as provided by law.

(c) A certified copy of this Ordinance, together with such other proceedings and actions as may be necessary, shall be filed by the Clerk-Treasurer with, and this appropriation shall be reported by the Clerk-Treasurer to, the Department of Local Government Finance.

Sec. 26. Other Actions. The President and the Clerk-Treasurer are each hereby authorized and directed, for and on behalf of the Town, to execute and deliver any agreement, certificate or other instrument, including without limitation any escrow agreement, continuing

disclosure agreement, agreement with any Bond Insurer, agreement with any Rating Service, preliminary official statement or official statement, or to take any other action or execute any document which such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance or the funding of the Project, including any agreement with the Authority or the Indiana Bond Bank which facilitates or provides for the receipt of financing or grant funding for the Costs of the Project, 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 is hereby ratified and approved.

Sec. 27. Ordinance Does Not Create An Indebtedness. The Town shall not be obligated to pay or perform any obligation or liability under this Ordinance except from the Sinking Fund, and neither this Ordinance nor any obligation or liability of the Town under this Ordinance shall in any respect constitute an indebtedness of the Town within the provision and limitations of the Constitution of the State of Indiana.

Sec. 28. Headings. The headings or titles of the several sections in this Ordinance shall be solely for convenience of reference. It shall not affect the meaning, construction or effect of this Ordinance.

Sec. 29. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

Adopted this ____ day of September, 2011.

**TOWN OF BROWNSBURG
TOWN COUNCIL**

Matthew S. Bowles, President

Bill Guarnery, Vice-President

Gary Hood

David Richardson

Dwayne Sawyer

Attest:

Jeanette M. Brickler
Clerk-Treasurer

EXHIBIT A

Description of Project

The Project includes construction of a new Water Treatment Plant No. 1 to replace the existing water treatment plant. Project elements include a new Well No. 9 with well house structure and approximately 460LF of new 6 inch raw water main; new forced draft aerator, odor scrubber, aeration-detention tank, two horizontal pressure filters, three high service pumps, backwash holding tank, chemical feed facilities and a new 2100SF plant building, emergency generator, together with all related site and electrical work, and approximately 1,980LF of new 16 inch finished water main along Lucas Drive from the new plant location to the existing 10 inch water main connection on North Green Street. The Project includes green project reserve water efficiency elements, including the installation of two horizontal pressure filters with air-water backwash facilities resulting in an estimated annual water volume reduction of approximately 10,000,000 gallons compared to using conventional water only backwashing.

EXHIBIT B

STATE OF INDIANA

DRINKING WATER REVOLVING LOAN PROGRAM

FINANCIAL ASSISTANCE AGREEMENT made as of this ___ day of _____ 2011 by and between the Indiana Finance Authority (the “Finance Authority”), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the “State”) and the Town of Brownsburg, Indiana (the “Participant”), a political subdivision as defined in I.C. 13-11-2-164, operating its water utility under I.C. 8-1.5, witnesseth:

WHEREAS, the State’s Drinking Water Revolving Loan Program (the “Drinking Water SRF Program”) has been established in accordance with the federal Safe Drinking Water Act and any regulations promulgated thereunder, and pursuant to I.C. 13-18-21 (the “Drinking Water SRF Act”), which Drinking Water SRF Act also establishes the drinking water revolving loan fund (the “Drinking Water SRF Fund”); and

WHEREAS, pursuant to the Drinking Water SRF Act, the State was authorized to fund the Drinking Water SRF Program with federal capitalization grants, together with required state matching funds therefor, and to operate the Drinking Water SRF Program, and prior to May 15, 2005 so funded and operated the Drinking Water SRF Program; and

WHEREAS, the Indiana Bond Bank (the “Bond Bank”) has had a longstanding commitment to finance water quality and drinking water projects for qualified entities by issuing its bonds, pursuant to I.C. 5-1.5, for the purpose of buying securities of such qualified entities and financed by the Drinking Water SRF Program, including the required state matching funds, and prior to May 15, 2005 so financed the Drinking Water SRF Program; and

WHEREAS, pursuant to Public Law 235-2005, by operation of law and effective May 15, 2005, the Finance Authority has become the successor to the State in all matters related to the Drinking Water SRF Program (including use and acceptance of federal capitalization grants and required state matching funds and operation of the Drinking Water SRF Program) and to the Bond Bank in all matters related to the financing of the Drinking Water SRF Program (including the Bond Bank’s outstanding State Revolving Fund Program Bonds and securities of all qualified entities purchased with the proceeds of such bonds); and

WHEREAS, the Participant is a duly existing political subdivision of the State, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein; and

WHEREAS, the Participant has previously entered into a Financial Assistance Agreement with the State (in its capacity as predecessor to the Finance Authority in matters related to the Wastewater SRF Program) dated as of December 30, 1998 and a Financial Assistance Agreement with the Finance Authority dated, July 3, 2009 (collectively, the “Prior Agreements”), each to

borrow money from the Wastewater SRF Program to construct and acquire separate projects (as described and defined in the Prior Agreements); and

WHEREAS, the Participant has determined to undertake a drinking water system project (as more fully described herein, the “Project”) and to borrow money from the Drinking Water SRF Program to construct and acquire the Project; and

WHEREAS, the Finance Authority and the Participant desire to set forth the terms of such financial assistance as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the Finance Authority and the Participant agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms shall, for all purposes of this Agreement, have the following meaning:

“**Agency**” shall mean the United States Environmental Protection Agency or its successor.

“**Authorizing Instrument(s)**” shall mean the separate trust indenture(s) of the Participant entered into with a corporate trustee or the detailed resolution(s) or ordinance(s) of the governing body of the Participant pursuant to which the Bonds are issued in accordance with State law.

“**Authorized Representative**” shall mean the Clerk-Treasurer of the Participant or such other officer, official, or representative of the Participant duly authorized to act for and on behalf of the Participant as provided for herein.

“**Bond**” or “**Bonds**” shall mean the instrument(s) which evidence(s) the Loan, as authorized by the Authorizing Instrument and containing the terms set forth in Section 2.02 of this Agreement.

“**Bond Fund**” shall mean the separate and segregated fund or account established and created by the Participant pursuant to the Authorizing Instrument from which payment of the principal of and interest on the Bonds is required to be made by the Participant.

“**Business Day**” shall mean any day other than a Saturday, Sunday or State legal holiday or any other day on which financial institutions in the State are authorized by law to close and to remain closed.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

“Commission” shall mean the Indiana Utility Regulatory Commission created under I.C. 8-1-1-2 or its successor.

“Construction Fund” shall mean the separate and segregated fund or account established and created by the Participant pursuant to the Authorizing Instrument to receive proceeds of the Bonds and from which Eligible Costs of the Project may be paid by the Participant.

“Credit Instrument” means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider that is used by the Participant to meet all or a portion of any debt service reserve requirement securing the Bonds or any other bonds payable from the revenues of the Drinking Water System, which bonds are on a parity with the Bonds.

“Credit Provider” means a bank, insurance company, financial institution or other entity providing a Credit Instrument.

“Department” shall mean the Indiana Department of Environmental Management created under I.C. 13-13-1-1 or its successor.

“Deposit Agreement” shall mean an agreement between the Participant and the Deposit Agreement Counterparty in such form as from time to time determined by the Finance Authority pursuant to which (a) the Participant’s Bond Fund (including any reserve account established and created by the Participant pursuant to the Authorizing Instrument related thereto) shall be held by such Deposit Agreement Counterparty and available for payment of the Bonds and any other similar obligations of the Participant that are payable from the Bond Fund regardless whether they are on a parity basis, (b) such Deposit Agreement Counterparty serves as the paying agent for the Bonds and any other such similar obligations of the Participant that are payable from the Bond Fund, and (c) the Participant’s Construction Fund may be held by such Deposit Agreement Counterparty upon any Loan disbursement by the Finance Authority to it from time to time.

“Deposit Agreement Counterparty” shall mean the financial institution that enters into a Deposit Agreement with the Participant, which financial institution shall be approved by the Finance Authority and may be replaced by the Finance Authority from time to time.

“Director of Environmental Programs” shall mean the person designated by the Finance Authority as authorized to act as the Director of Environmental Programs (which designation includes such Director’s assumption of the duties previously assigned to the Drinking Water SRF Program Representative and the Drinking Water SRF Program Director) and where not limited, such person’s designee.

“Disbursement Agent” shall mean the party disbursing the Loan to or for the benefit of the Participant, which shall be the Trustee unless amounts are held in the Construction Fund, in which case the Disbursement Agent shall thereafter be the Deposit Agreement Counterparty as the party disbursing amounts that are held in the Construction Fund unless otherwise agreed by

the Finance Authority.

“Disbursement Request” shall mean a request for a disbursement of the Loan made by an Authorized Representative in such form as the Finance Authority may from time to time prescribe.

“Drinking Water SRF Fund” shall mean the drinking water revolving loan fund as established by I.C. 13-18-21-2.

“Drinking Water SRF Indenture” shall mean the Third Amended and Restated Drinking Water SRF Trust Indenture, dated as of April 1, 2007 between the Finance Authority (as successor by operation of law to the State in all matters related to the Drinking Water SRF Program) and the Trustee, as amended and supplemented from time to time.

“Drinking Water System” shall mean all, or any part of, the system for the provision to the public of water for human consumption through pipes and other constructed conveyances that:

- (1) has at least fifteen (15) service connections; or
- (2) regularly serves at least twenty-five (25) individuals;

and as further defined and described in I.C. 13-11-2-177.3 and SRF Policy Guidelines, as amended and supplemented from time to time.

“Eligible Cost(s)” shall mean and include, whether incurred before or after the date of this Agreement, all costs which have been incurred and qualify for Financial Assistance, including engineering, financing and legal costs related thereto.

“Finance Authority” shall mean the Indiana Finance Authority, a body politic and corporate, not a state agency but an independent instrumentality of the State.

“Finance Authority Bonds” shall mean (A) any Indiana Bond Bank State Revolving Fund Program Bonds issued as a part of the Drinking Water SRF Program within the meaning of the Drinking Water SRF Indenture and (B) any Finance Authority State Revolving Fund Program Bonds or other similar obligations of the Finance Authority issued as a part of the Drinking Water SRF Program within the meaning of the Drinking Water SRF Indenture.

“Financial Assistance” shall mean the financial assistance authorized by the Safe Drinking Water Act, including the Loan.

“Loan” shall mean the purchase of the Bonds by the Finance Authority to finance the planning, designing, constructing, renovating, improving and expanding of the Participant’s Drinking Water System or refinance an existing debt obligation where such debt was incurred and

building of such systems began after July 1, 1993, but does not mean the provision of other Financial Assistance.

“Loan Reduction Payment” shall mean in any circumstances where there is a balance (inclusive of Loan proceeds and any earnings) in the Construction Fund, any action causing such balance to be applied to a reduction in the maximum aggregate amount of the Loan outstanding other than pursuant to regularly scheduled principal payments or optional redemptions applicable to the Bonds. A Loan Reduction Payment shall not be applicable unless Loan amounts are held in the Construction Fund.

“Non-Use Close-out Date” shall mean that date which is the earlier of (a) the first date as of which the full amount of the Loan has been disbursed on a cumulative basis (which shall also be deemed to have occurred when and if such amounts have been deposited in the Participant’s Construction Fund) or (b) the date as of which the Participant binds itself that no further Loan disbursements will be made under this Agreement.

“Non-Use Fee” shall mean a fee in an amount determined by the Finance Authority charged to compensate it for costs and expenses within the Drinking Water SRF Program. Such amount shall be the greater of (A) the product of the undrawn balance of the Loan on each applicable Non-Use Assessment Date multiplied by one percent (1%) or (B) One Thousand Dollars (\$1,000). Such fee shall apply and be payable under Section 5.09 herein with respect to each Non-Use Assessment Date until the Non-Use Close-out Date shall occur. A Non-Use Fee shall not be applicable if the full amount of the Loan has been disbursed and deposited in the Participant’s Construction Fund by the Non-Use Assessment Date.

“Non-Use Assessment Date” shall mean _____, 20__ and the first day of each sixth (6th) calendar month thereafter unless and until the Non-Use Close-out Date occurs in advance of any such Non-Use Assessment Date.

“Operation and Maintenance” shall mean the activities required to assure the continuing dependable and economic function of the Drinking Water System, including maintaining compliance with primary and secondary drinking water standards, as follows:

(1) Operation shall mean the control and management of the united processes and equipment which make up the Drinking Water System, including financial and personnel management, records, reporting, laboratory control, process control, safety and emergency operation planning and operating activities.

(2) Maintenance shall mean the preservation of the functional integrity and efficiency of equipment and structures by implementing and maintaining systems of preventive and corrective maintenance, including replacements.

“Plans and Specifications” shall mean the detailed written descriptions of the work to be done in undertaking and completing the Project, including the written descriptions of the work to

be performed and the drawings, cross-sections, profiles and the like which show the location, dimensions and details of the work to be performed.

“Preliminary Engineering Report” shall mean the information submitted by the Participant that is necessary for the Finance Authority (or if submitted to the Department prior to May 15, 2005, then the Department in its role as predecessor to the Finance Authority in certain matters related to the Drinking Water SRF Program) to determine the technical, economic and environmental adequacy of the proposed Project.

“Project” shall mean the activities or tasks identified and described in Exhibit A to this Agreement, and incorporated herein, as amended or supplemented by the Participant and consented to by the Finance Authority, for which the Participant may expend the Loan.

“Purchase Account” shall mean the account by that name created by the Drinking Water SRF Indenture and held as part of the Drinking Water SRF Fund.

“Safe Drinking Water Act” shall mean the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq. and other laws, regulations and guidance supplemental thereto, as amended and supplemented from time to time.

“Sale Date” shall mean October __, 2011 or such other date and time within 30 days of such date as stated by the Finance Authority for the purchase and sale of the Bonds.

“Settlement Costs” shall mean any and all fees, costs, losses or expenses incurred (or estimated to be incurred) by the Finance Authority resulting or arising from a Loan Reduction Payment (including without limitation interest and earnings differentials when the Finance Authority seeks to lend such Loan Reduction Payment to another Drinking Water SRF Program borrower).

“Settlement Fee” shall mean a fee payable by the Participant to the Finance Authority to compensate the Finance Authority for its Settlement Costs in circumstances where there has been a Loan Reduction Payment.

“SRF Policy Guidelines” shall mean guidance of general applicability (as from time to time published, amended and supplemented by the Finance Authority) pertaining to participants utilizing financial assistance in connection with their projects funded in whole or in part through the Drinking Water SRF Program.

“State” shall mean the State of Indiana.

“Substantial Completion of Construction” shall mean the day on which the Finance Authority (or if designated by the Finance Authority, the Department) determines that all but minor components of the Project have been built, all equipment is operational and the Project is capable of functioning as designed.

“Trustee” shall mean The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, in its capacity as trustee or its successor under the Drinking Water SRF Indenture.

(End of Article I)

ARTICLE II

PURPOSE OF BORROWING AND LOAN TERMS

Section 2.01. Amount; Purpose. The Finance Authority agrees to Loan an amount equal to _____ Dollars (\$ _____) in aggregate principal amount to the Participant as Financial Assistance to pay for the Eligible Costs, as hereinafter described, of the Project on, and subject to, the terms and conditions contained herein. The Loan shall be used only to pay the following Eligible Costs: (a) eligible planning services for the production of a Preliminary Engineering Report (“Planning”), (b) eligible design services for the production of Plans and Specifications (“Design”) and (c) eligible construction costs, including financing and legal costs (“Construction”). The Loan shall be funded solely from available proceeds of the Finance Authority Bonds contained in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate. The Loan is evidenced by the Bonds executed and delivered by the Participant as provided in Section 2.07 herein. The Bonds shall be in fully registered form, with the Finance Authority registered as the registered owner. So long as the Finance Authority is the registered owner, the principal of and redemption premium, if any, and interest on the Bonds shall be paid to the Trustee by a wire transfer referenced as follows: The Bank of New York, ABA 021 000 018, For Credit to GLA: 111-565, For Final Credit: TAS #610026, Account Name: IN SRF QE Deposit, Attn: Amy L Oram. The Participant agrees to undertake and complete the Project and to receive and expend the Loan proceeds in accordance with this Agreement.

Section 2.02. The Bonds.

(a) Until paid, the Bonds will bear interest at the per annum rate or rates as determined by the Finance Authority after it enters into a contract to issue Finance Authority Bonds that it anticipates using to acquire the Bonds, which interest rate(s) shall be set forth in a schedule contained in Attachment A to this Agreement (which is hereby incorporated by reference) to be hereafter prepared by the Finance Authority and provided to the Participant prior to the Dated Date set forth therein. Unless otherwise provided in Attachment A, the Bonds shall be purchased at a price equal to 100% of the par value thereof. Such interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months, and be as provided in I.C. 13-18-21-10 and -15. Interest, if any, on the Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2012. The Bonds will be in the aggregate principal amount of _____ Dollars (\$ _____). Subject to Section 2.05 and 2.06 herein, the Bonds will mature on January 1 and July 1 of each of the years set forth in, and at the principal amount set opposite each such month and year set forth in the schedule contained in the attached Exhibit B to this Agreement (which is hereby incorporated by reference) or if adjusted by the Finance Authority prior to the Sale Date to cause annual debt service on the Bonds to be approximately level then as set forth in the schedule contained in the Attachment A and provided by the Finance Authority to the Participant; provided, however, notwithstanding the foregoing or the terms of the Bonds to the contrary, no maturity of Bonds shall extend beyond the date which is twenty (20) years after Substantial Completion of Construction. If the maturity date for any Bonds is beyond

such date, unless otherwise agreed to, such Bonds, together with accrued and unpaid interest thereon, will be due and payable on such date.

(b) The Bonds will be subject to redemption by the Participant as provided in the Authorizing Instrument. The Loan, and the Bonds evidencing it, will be subject to payment by the Participant as provided in this Agreement.

(c) The form and other terms of the Bonds will be in conformity with the Authorizing Instrument.

(d) The additional terms contained in the attached Exhibit D are applicable to this Loan (as and to the extent set forth in Exhibit D) to the same effect as if such were set forth in this section.

Section 2.03. Disbursement Conditions. Each of the following shall be a condition precedent to the disbursement of the Loan or any portion thereof (including from the Construction Fund):

(a) (1) With respect to procurement of professional services related to the Project to be paid from Loan proceeds, the Participant shall have complied with applicable State law and SRF Policy Guidelines. (2) With respect to procurement of all other goods and services related to the Project to be paid from Loan proceeds, the Participant shall have complied with I.C. 36-1-12 and SRF Policy Guidelines.

(b) No representation, warranty or covenant of the Participant contained in this Agreement or in any paper executed and delivered in connection with the transactions contemplated by this Agreement shall be false or inaccurate in any material respect.

(c) The Participant shall undertake and faithfully perform each of its obligations, agreements and covenants contained in this Agreement, the Authorizing Instrument and the Bonds.

(d) There shall be available to the Finance Authority uncommitted funds in an amount sufficient to satisfy the Finance Authority's obligations hereunder from the proceeds of Finance Authority Bonds in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate; provided however, once Loan proceeds have been deposited in the Construction Fund, such condition shall be deemed satisfied.

(e) The Participant shall have undertaken all actions necessary to comply with and satisfy the conditions and requirements for a Loan secured with money made available from the Drinking Water SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 13-18-21, SRF Policy Guidelines, the Safe Drinking Water Act and 40 C.F.R. Part 35.

(f) Prior to making any Loan disbursement to pay any Construction costs, the Project shall have been approved by the State's Historical Preservation Officer in a manner consistent with the policies and practices of the Drinking Water SRF Program (the "Historical Preservation Approval"). Notwithstanding any provision of this Agreement to the contrary, in the event a Historical Preservation Approval has not been given within four (4) months after the date of this Agreement, the Finance Authority may, in its sole discretion, (i) reduce the aggregate amount of the Loan to the amount then disbursed and outstanding under this Agreement and (ii) if any amounts are held in the Construction Fund, require a Loan Reduction Payment pursuant to Section 2.06 as if it were a date that was three (3) years after the dated date of the Bonds. Upon giving notice to the Participant of such action, no further Loan disbursement (including from the Construction Fund) may be made under this Agreement unless consented to by the Finance Authority.

(g) In the event the Bonds are payable from rates and charges of the Drinking Water System if requested by the Finance Authority, the Participant shall provide evidence satisfactory to the Finance Authority demonstrating that such rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper Operation and Maintenance of the Drinking Water System, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Drinking Water System (including the Bonds).

Section 2.04. Disbursement Procedures. Loan proceeds (including any held from time to time in the Construction Fund) shall be disbursed to the Participant by the Disbursement Agent for actual Eligible Costs incurred with respect to the Project. The Finance Authority may, in its discretion, cause Loan disbursements to be made (a) directly to the person or entity identified in the Disbursement Request to whom payment is due, or (b) if advised in writing by the Participant that I.C. 36-1-12-14 or a similar law applies to the Project, to the Participant for purposes of collecting retainage, or some combination thereof. Any Loan proceeds in excess of the amount subject to retainage controlled by the Participant will be immediately remitted to the person or entity to whom payment is due, no later than three (3) Business Days after receipt or the date such Loan proceeds are no longer subject to retainage. The Finance Authority may, in its discretion, cause Loan disbursements to be made from time to time, in whole or in part, to the Participant's Construction Fund for disbursement consistent with this Agreement. Loan disbursements shall not be made more frequently than monthly and shall only be made following the submission of a Disbursement Request to the Finance Authority. Disbursement Requests shall be approved by the Director of Environmental Programs prior to submission to the Disbursement Agent for a Loan disbursement. Disbursement Requests shall be numbered sequentially, beginning with the number 1.

Section 2.05. Effect of Disbursements. Loan disbursements made to or for the benefit of the Participant shall be deemed to be a purchase of the Bonds in such amounts and with such maturities as achieves as level debt service as practicable, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to one year after Substantial Completion of Construction shall first be deemed to be a purchase of the Bonds in order of maturity. The deposit of Loan

proceeds in the Construction Fund shall be deemed to be a purchase of the Bonds. Interest on the Loan commences on disbursement of the Loan to or for the benefit of the Participant (including any amounts disbursed to the Construction Fund) by the Finance Authority and the Bonds shall be deemed to be purchased in the full amount thereof. Each disbursement (including any amounts disbursed from the Construction Fund) shall be made pursuant to a Disbursement Request. In the event any Loan disbursement (including any amounts disbursed from the Construction Fund) shall be made in excess of Eligible Costs, such excess disbursements shall be immediately paid by the Participant to the Disbursement Agent (and if made from any amounts held in the Construction Fund, shall be immediately deposited by the Participant into such Construction Fund) and thereafter may, subject to the terms and conditions set forth in this Agreement, be applied thereafter to pay Eligible Costs of the Project by the Participant.

Section 2.06. Acknowledgment of Amount of Loan; Final Disbursement. (a) Within 30 days after any request by the Finance Authority from time to time, the Participant shall execute and deliver to the Finance Authority an acknowledgment in the form prescribed by the Finance Authority which acknowledges the outstanding principal of and interest on the Bonds. Unless the Finance Authority consents in writing, no Loan disbursement shall be made more than one year after Substantial Completion of Construction. After Substantial Completion of Construction, upon the request of the Finance Authority, the Participant shall replace, at its expense, the Bonds with substitutes issued pursuant to the Authorizing Instrument to evidence the outstanding principal under the Loan.

(b) In the event there remains a balance (inclusive of Loan proceeds and any earnings) in the Construction Fund on the date that is the earlier of (i) one year after Substantial Completion of Construction or (ii) three (3) years after the dated date of the Bonds (or in either such circumstance, such later date as the Finance Authority may approve in its discretion), the Participant agrees to make a Loan Reduction Payment, and to pay a Settlement Fee, to the Finance Authority within 10 days after any Finance Authority written demand. Any Loan Reduction Payment shall be applied to pay principal in such amounts and with such maturities as achieves as level debt service as practicable consistent with methodology prescribed in the Authorizing Instrument and as originally applied to the Bonds, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to the Loan Reduction Payment shall be unaffected by such payment. If the Authorizing Instrument permits the Participant to apply Bond proceeds to pay interest accruing on or before Substantial Completion of Construction, the Participant may seek to reimburse itself for such interest costs it has paid pursuant to a Disbursement Request provided, unless otherwise approved by the Finance Authority, any such reimbursement shall be limited to the amount thereof that the Participant causes to be used to pay the Settlement Fee. If the Participant fails to make such Loan Reduction Payment or to pay a Settlement Fee by such date, the Finance Authority and Deposit Agreement Counterparty are authorized to cause any balance held in the Construction Fund to be so applied without further direction and authorization from the Participant. Notwithstanding the foregoing, if requested by the Finance Authority, in lieu of the Participant making a Loan Reduction Payment together with any Settlement Fee payment, the Finance Authority may in its discretion require the Participant to hold any remaining balance (inclusive of Loan proceeds and any earnings) in the Construction Fund until such

amounts may be applied on the first optional redemption date applicable to the Bonds, and upon any such request, the Participant agrees to cause such amounts to be so held and applied on such date.

Section 2.07. Further Conditions and Limitations.

(a) Prior to the purchase by the Finance Authority of any Bonds and any disbursement of the Loan in payment thereof, the Finance Authority shall have the opportunity to review and approve, the form of Authorizing Instrument, the Bonds, and the Deposit Agreement, and such further certificates, deliveries and opinions as the Finance Authority may request.

(b) The purchase and sale of the Bonds shall be consummated at 12:00 noon on the Sale Date (or such other date and time within 30 days of such date as stated by the Finance Authority); provided, however, if the Finance Authority does not enter into a contract to sell the Finance Authority Bonds that it anticipates using to acquire the Bonds prior to the Sale Date, or if the Participant has not taken all actions and received all approvals required by the laws of the State and by the Code for the issuance and sale of the Bonds by any date specified by the Finance Authority to the Participant prior to the Sale Date, then the Finance Authority may rescind this Agreement by giving written notice to the Participant.

(c) If the Participant fails to consummate the sale of the Bonds to the Finance Authority when requested, the Participant agrees to pay a Settlement Fee to the Finance Authority within 10 days after any Finance Authority written demand, as if there had been a full disbursement of the Loan and a Loan Reduction Payment notwithstanding the absence of such events. Such obligation to pay the Settlement Fee shall survive any rescission of this Agreement by giving written notice to the Participant by the Finance Authority.

(End of Article II)

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTICIPANT

Section 3.01. Planning, Design and Construction Covenants. The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

- (a) Provide information as requested by the Finance Authority to determine the need for, or to complete any necessary, environmental review or analysis.
- (b) Comply with the procurement procedures and affirmative action requirements contained in SRF Policy Guidelines in the Planning, Design and Construction of the Project to the extent that such are to be paid from Loan proceeds.
- (c) With respect to prime and first tier contract awards, report minority and women business enterprise utilization in the Planning, Design and Construction of the Project, to the extent that such are to be paid from Loan proceeds, by executing and delivering Agency Form SF 5700-52 to the Finance Authority whenever any agreements or subagreements are awarded. (These reports must be submitted on regular reporting cycles consistent with SRF Policy Guidelines commencing after such agreement or subagreement is awarded.)
- (d) Comply with all applicable federal, State and local statutes, rules and regulations relating to the acquisition and construction of the Drinking Water System.
- (e) In the event Construction is to be paid from Loan proceeds, prior to an award of any contract for Construction of the Project, obtain a construction permit from the Department and receive the written approval of the Finance Authority (or if approved by the Department prior to May 15, 2005, then the Department in its role as predecessor to the Finance Authority in certain matters related to the Drinking Water SRF Program) of the Preliminary Engineering Report.
- (f) Obtain the property rights necessary to construct the Drinking Water System and, in procuring any such rights comply with federal and State law.
- (g) In the event Construction is to be paid from Loan proceeds, comply with the federal Davis-Bacon Act, codified at 40 U.S.C. 276a-276a-5 unless separately waived by the Finance Authority.
- (h) In the event Construction is to be paid from Loan proceeds, execute and deliver to the Finance Authority Agency Form 4700-4 (“Pre-award Compliance Review Report for Wastewater Treatment Construction Grants”) and Agency Form 5700-49 (“Certification Regarding the Debarment, Suspension, and Other Responsibility Matters”).

(i) In the event Construction is to be paid from Loan proceeds, follow guidance issued by the Finance Authority in procuring contracts for Construction, including (1) submission to the Finance Authority (or if submitted to the Department prior to May 15, 2005, then the Department in its role as predecessor to the Finance Authority in certain matters related to the Drinking Water SRF Program) of Project change orders, (2) obtaining approval from the Director of Environmental Programs of any Project change order which significantly changes the scope or Design of the Project or, when taking into account other change orders and contracts, are reasonably expected to result in expenditures in an amount greater than the Loan, (3) receiving approval from the Director of Environmental Programs prior to the award of any contract for Construction and (4) receiving authorization from the Director of Environmental Programs prior to initiating procurement of Construction of the Project.

(j) In the event Construction is to be paid from Loan proceeds, before awarding Construction contracts, receive approval of the Director of Environmental Programs for the user charge system (including any use ordinance and interlocal agreement) associated with the Project.

(k) In the event Construction is to be paid from Loan proceeds, cause the Project to be constructed in accordance with the Preliminary Engineering Report and the Plans and Specifications, using approved contract papers.

(l) Permit the Finance Authority and its agents to inspect from time to time (1) the Project, (2) the Drinking Water System and (3) the books and other financial records of the Drinking Water System, including the inspections described in SRF Policy Guidelines. Construction contracts shall provide that the Finance Authority or its agents will have access to the Project and the work related thereto and that the Participant's contractor will provide proper facilities for such access and inspection. All files and records pertaining to the Project shall be retained by the Participant for at least six years after Substantial Completion of Construction.

(m) Upon Substantial Completion of Construction and when requested by the Finance Authority, provide audited reports to the Finance Authority to permit the Finance Authority to determine that the Loan proceeds have been used in compliance with this Agreement.

(n) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, consistent with SRF Policy Guidelines, certify to the Finance Authority that the Project meets performance standards, or if not met, (1) submit to the Finance Authority (or if directed by the Finance Authority, to the Department) a corrective action plan and (2) promptly and diligently undertake any corrective action necessary to bring the Project into compliance with such standards.

(o) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, provide as-built plans for the Project to the Finance Authority (or if directed by the Finance Authority, to the Department).

Section 3.02. General Covenants. The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

(a) Comply with all applicable federal, State and local statutes, rules and regulations relating to Operation and Maintenance.

(b) (1) Own, operate and maintain the Project and the Drinking Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Drinking Water System in good condition and operate it in an efficient manner and at a reasonable cost; and (3) not sell, transfer, lease or otherwise encumber the Drinking Water System or any portion thereof or any interest therein without the prior written consent of the Finance Authority.

(c) Obtain and maintain the property rights necessary to operate and maintain the Drinking Water System, and in procuring any such rights, comply with federal and State law.

(d) Acquire and maintain insurance coverage acceptable to the Finance Authority, including fidelity bonds, to protect the Drinking Water System and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under State law. Insurance proceeds and condemnation awards shall be used to replace or repair the Drinking Water System unless the Finance Authority consents to a different use of such proceeds or awards.

(e) 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 Drinking Water System in accordance with (1) generally accepted governmental accounting principles, as promulgated by the Government Accounting Standards Board and (2) the rules, regulations and guidance of the State Board of Accounts.

(f) Provide to the Finance Authority such periodic financial and environmental reports as it may request from time to time, including (1) annual operating and capital budgets and (2) such other information requested or required of the Finance Authority or the Participant by the Agency.

(g) Provide notice to the Finance Authority under the circumstances contemplated, and undertake inspections as required, by SRF Policy Guidelines.

(h) (1) Establish and maintain just and equitable rates and charges for the use of and the service rendered by the Drinking Water System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Drinking

Water System, or that in any way uses or is served by the Drinking Water System, (2) establish, adjust and maintain rates and charges at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Participant) to provide for the proper Operation and Maintenance of the Drinking Water System, to comply with and satisfy all covenants contained herein and to pay all obligations of the Drinking Water System and of the Participant with respect thereto, and (3) if and to the extent Bonds are payable from property taxes, levy each year a special ad valorem tax upon all property located in the boundaries of the Participant, to pay all obligations of the Participant with respect thereto.

(i) If the Bonds are payable from the revenues of the Drinking Water System, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Drinking Water System without the prior written consent of the Finance Authority if such undertaking would involve, commit or use the revenues of the Drinking Water System; provided that the Participant may authorize and issue additional obligations, payable out of the revenues of its Drinking Water System, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Drinking Water System, or to refund obligations of the Drinking Water System, subject to the conditions, if any, in the Authorizing Instrument.

(j) Comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d *et seq.*, the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(k) Undertake all actions necessary to investigate all potential, material claims which the Participant may have against other persons with respect to the Drinking Water System and the Project and take whatever action is necessary or appropriate to (1) recover on any actionable, material claims related to the Project or the Planning, Design or Construction thereof, (2) meet applicable Project performance standards and (3) otherwise operate the Drinking Water System in accordance with applicable federal, State and local law.

(l) Not modify, alter, amend, add to or rescind any provision of the Authorizing Instrument without the prior written consent of the Finance Authority.

(m) In the event the Participant adopts an ordinance or resolution to refund the Bonds, within 5 days of the adoption of the ordinance or resolution, provide written notice to the Finance Authority of the refunding. Any refunding of the Bonds shall only be undertaken by the Participant with the prior written consent of the Finance Authority.

(n) In any year in which total expenditures of Federal financial assistance received from all sources exceed \$500,000 the Participant shall comply with the Federal Single

Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see Circular A-133) and have an audit of their use of Federal financial assistance. The Participant agrees to provide the Finance Authority with a copy of the SAA audit within 9 months of the audit period.

(o) Inform the Finance Authority of any findings and recommendations pertaining to the SRF program contained in an A-133 audit in which SRF Federal financial assistance was less than \$500,000.

(p) Initiate within 6 months of the audit period corrective actions for those audit reports with findings and recommendations that impact the SRF financial assistance.

(q) Notwithstanding anything in the Authorizing Instrument related to the Bonds (or in any authorizing instrument related to any other outstanding bonds payable from the revenues of the Drinking Water System which are on a parity with the Bonds) to the contrary, in the event any Credit Provider that has provided a Credit Instrument fails to be rated on a long term basis at least "A-/A3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors (such Credit Instrument, a "Disqualified Instrument"), within 12 months of such failure (or pursuant to such other schedule as may be approved by the Finance Authority), the Participant shall cause cash (or a replacement Credit Instrument from a Credit Provider that is rated on a long term basis at least "AA-/Aa3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors)(or some combination thereof) in an aggregate amount equal to the stated credit available under the Disqualified Instrument(s) to be deposited in the related reserve account(s) in lieu of such Disqualified Instrument(s). No Disqualified Instrument shall be included as part of the reserve balance which satisfies any such reserve requirement under any such authorizing instrument. Nothing in this subsection shall waive or modify additional requirements contained in any such authorizing instrument (including the Authorizing Instrument related to the Bonds); the provisions of this subsection and any such authorizing instrument (including the Authorizing Instrument related to the Bonds) shall both be required to be met. Unless and until notice shall be given by the Finance Authority to the Participant, a surety policy issued by MBIA Insurance Corporation or Financial Guaranty Insurance Company that has been reinsured by National Public Finance Guarantee Corporation (formerly known as MBIA Insurance Corp. of Illinois) shall not be treated as a Disqualified Instrument.

(r) (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by SRF Policy Guidelines or the Clean Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying

Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

Section 3.03. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Finance Authority that:

(a) The Participant is duly organized and existing under state law, and constitutes a “political subdivision” within the meaning of I.C. 13-11-2-164 and a “participant” within the meaning of I.C. 13-11-2-151.1. The Project and the Drinking Water System are subject to I.C. 8-1.5.

(b) The Participant and its Drinking Water System are not subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law and the Project and the Bonds are not subject to the Commission’s review and approval requirements. If the Participant or its Drinking Water System is subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law, the Commission has reviewed and approved the Project and the issuance of the Bonds and no additional approvals or consents are required to be obtained from the Commission related thereto.

(c) The Participant has full power and authority to adopt the Authorizing Instrument, enter into this Agreement and issue the Bonds and perform its obligations hereunder and thereunder.

(d) By all required action, the Participant has duly adopted the Authorizing Instrument and authorized the execution and delivery of this Agreement, the Bonds and all other papers delivered in connection herewith.

(e) Neither the execution of, nor the consummation of the transaction contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Drinking Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(f) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Authorizing Instrument or the Bonds or the authority or ability of the Participant to execute and deliver this Agreement or the Bonds and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Authorizing Instrument or the Bonds.

(g) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(h) All information furnished by the Participant to the Finance Authority or any of the persons representing the Finance Authority in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(i) The Participant has taken or will take all proceedings required by law to enable it to issue and sell the Bonds as contemplated by this Agreement.

(j) For any outstanding bonds payable from the revenues of the Drinking Water System which are on a parity with the Bonds, each Credit Provider, if any, that has provided a Credit Instrument is at least rated on a long term basis "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc., and their successors, except as represented and set forth in Exhibit C attached thereto (and with respect to which true, accurate and complete copies of each such Credit Instrument have been delivered to the Finance Authority).

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds (including from the Construction Fund). Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Finance Authority may have undertaken.

Section 3.04. Covenants Regarding Assignment. The Participant acknowledges that the Finance Authority may pledge, sell or assign the Bonds or cause the Bonds to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 5.02 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Finance Authority, the Participant covenants and agrees with the Finance Authority that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Authorizing Instrument and the Bonds and the Drinking Water System as the Finance Authority reasonably requests in writing to facilitate the sale or assignment of the Bonds.

Section 3.05. Nature of Information. All information furnished by the Participant to the Finance Authority or any person representing the Finance Authority in connection with the Loan or the Project may be furnished to any other person the Finance Authority, in its judgment, deems necessary or desirable in its operation and administration of the Drinking Water SRF Program.

Section 3.06. Tax Covenants. The Participant hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds

pursuant to Section 103 of the Code. The Participant further covenants that it will not do any act or thing that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance and not in limitation of the foregoing, the Participant shall take all action necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Participant or the Bonds, including accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

Section 3.07. Non-Discrimination Covenant. Pursuant to and with the force and effect set forth in I.C. 22-9-1-10, the Participant hereby covenants that the Participant, and its contractor and subcontractor for the Project, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry.

(End of Article III)

ARTICLE IV **DEFAULTS**

Section 4.01. Remedies. The Finance Authority's obligation to make a disbursement under the Loan to the Participant hereunder may be terminated at the option of the Finance Authority, without giving any prior notice to the Participant, in the event: (a) the Participant fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith (including the Authorizing Instrument); or (b) any representation or warranty made by the Participant as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default and in addition to any other remedies at law or in equity, the Finance Authority may (x) require a Loan Reduction Payment pursuant to Section 2.06 as if it were a date that was three (3) years after the dated date of the Bonds, (y) in the event a Deposit Agreement has not previously been entered into related to the Participant's Bond Fund (including any related reserve), require the Participant to enter into a Deposit Agreement (or to modify any such previously entered Deposit Agreement) and the Participant shall enter into (or modify) such an agreement within 5 days after any such demand and (z) without giving any prior notice, declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

Section 4.02. Effect of Default. Failure on the part of the Finance Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Finance Authority by this Agreement or by law shall not make the Finance Authority liable in damages to the Participant or relieve the Participant from paying any Bond or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Participant may have and pursue any and all other remedies provided by law for compelling performance by the Finance Authority of such obligation assumed by or imposed upon the Finance Authority. The obligations of the Finance Authority hereunder do not create a debt or a liability of the Finance Authority or the State under the constitution of the State or a pledge of the faith or credit of the Finance Authority or the State and do not directly, indirectly or contingently, obligate the Finance Authority or the State to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the Finance Authority or the State, nor any agent, attorney, member or employee of the Finance Authority or the State shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

Section 4.03. Defaults under other Financial Assistance Agreements. The Participant and the Finance Authority agree that any event of default occurring under the Prior Agreements shall constitute an event of default under this Agreement. Similarly, the Participant and the Finance Authority agree that any event of default under this Agreement, or under any subsequent financial assistance agreement enter into between the Participant and the Finance Authority, shall constitute an event of default under the Prior Agreements and the subsequent financial assistance agreement, if any, as the case may be.

(End of Article IV)

ARTICLE V

MISCELLANEOUS

Section 5.01. Citations. Any reference to a part, provision, section or other reference description of a federal or State statute, rule or regulation contained herein shall include any amendments, replacements or supplements to such statutes, rules or regulation as may be made effective from time to time. Any reference to a Loan disbursement shall include any disbursement from the Construction Fund. Any use of the term “including” herein shall not be a limitation as to any provision herein contained but shall mean and include, without limitation, the specific matters so referenced.

Section 5.02. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Finance Authority and any attempt at such an assignment without such consent shall be void. The Finance Authority may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Authorizing Instrument, and the Bonds to an agency of the State or to a separate body corporate and politic of the State or to a trustee under trust instrument to which the Finance Authority, the State or any assignee is a beneficiary or party. The Finance Authority may at its option pledge or assign all or a portion of its rights under this Agreement, the Authorizing Instrument, and the Bonds to any person. The Participant hereby consents to any such pledge or assignment by the Finance Authority. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 5.03. No Waiver. Neither the failure of the Finance Authority nor the delay of the Finance Authority to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 5.04. Modifications. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. The Participant understands that the Finance Authority, pursuant to Public Law 235-2005, by operation of law and effective May 15, 2005, has become the successor to the State and the Bond Bank, and agrees to such as if the Prior Agreements (and the Authorizing Instrument and the Bonds referenced in such Prior Agreements and all other collateral agreements and understandings thereto), were amended and restated contemporaneously herewith to such force and effect.

Section 5.05. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements,

conditions, undertakings, warranties and representations between the parties hereto. This Agreement shall not be deemed to be a merger or integration of the existing terms under the Prior Agreements except as expressly set forth in Section 4.03 herein.

Section 5.06. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Finance Authority and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 5.07. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Finance Authority or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Bonds to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 5.08. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Finance Authority shall be addressed to:

Indiana Finance Authority
SRF Programs
100 North Senate, Room 1275
Indianapolis, Indiana 46204
Attention: Director of Environmental Programs

or at such other address(es) or number(s) and to the attention of such other person(s) as the Finance Authority may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Town of Brownsburg
Town Hall
80 E. Vermont
Brownsburg, Indiana 46112-1200
Attention: Clerk-Treasurer

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Finance Authority. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) Business Days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) Business Day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 5.09. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Bonds and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses in connection with making and administering the Loan; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Finance Authority in connection with the enforcement of this Agreement, the Authorizing Instrument and the Bonds in the event of the breach by the Participant of or a default under this Agreement, the Authorizing Instrument or the Bonds. Notwithstanding clause (b) above, the Participant shall not be obligated to pay any of the fees, costs and expenses in connection with administering the Loan except as follows: (1) the Finance Authority may request and the Participant shall promptly pay (no later than the date first above written), a closing fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (2) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), an annual administrative fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (3) the Finance Authority may request and the Participant shall promptly pay (no later than ten (10) days after any request), any Settlement Fee; (4) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-Use Fee in connection with the Loan, which may not be paid from a Loan disbursement; (5) for so long as the Finance Authority is the registered owner of the Bonds, at the direction of the Finance Authority, the interest rate on the Bonds may be adjusted to lower the interest rate on the Bonds, and the difference between the amount payable as the original rate on the Bonds and the lower rate shall be deemed an additional administrative fee in connection with the Drinking Water SRF Program; and (6) the Participant shall only be obligated to pay fees, costs and expenses of the Finance Authority's counsel and financial advisers in connection with making the Loan up to \$10,000, which may be paid from a Loan disbursement.

Section 5.10. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

Section 5.11. Term. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Bonds or provision for the payment of the Bonds pursuant to the Authorizing Instrument.

Section 5.12. Non-Collusion. The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Participant, that he/she has not, nor has any other officer or representative of the Participant, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Participant related to customary services rendered in connection with the Loan.

Section 5.13. Federal Award Information. The Catalogue of Federal Domestic Assistance (“CFDA”) Number for the Authority’s Drinking Water SRF Program is 66.468 and the Federal Agency & Program Name is “US Environmental Protection Agency Capitalization Grant for Drinking Water State Revolving Funds.”

(End of Article V)

[THE REMAINDER OF THIS PAGE HAS
BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

TOWN OF BROWNSBURG, INDIANA

INDIANA FINANCE AUTHORITY

“Participant”

“Finance Authority”

By: _____

By: _____

Printed: _____

James P. McGoff
Director of Environmental Programs

Title: _____

Attested by Finance Authority Staff:

Attest: _____

By: _____

EXHIBIT A

{This information will be from the description in the Preliminary Engineering Report and provided by the Finance Authority prior to Closing.}

The Project contains components that are GPR Projects, which GPR Projects Expenditures have been determined and are expected as of the date of this Agreement to be in the amount as set forth in the Participant's business case or categorical exclusion which is posted at www.srf.in.gov.

The Project is more fully described in, and shall be in accordance with, the Preliminary Engineering Report and the Plans and Specifications approved by the Finance Authority (or if designated by the Finance Authority, the Department).

EXHIBIT B
Principal Payment Schedule for the Bonds

<u>Maturity Date</u>	<u>Total Loan Principal Amount</u>
1/1/2012	
7/1/2012	
1/1/2013	
7/1/2013	
1/1/2014	
7/1/2014	
1/1/2015	
7/1/2015	
1/1/2016	
7/1/2016	
1/1/2017	
7/1/2017	
1/1/2018	
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7/1/2026	
1/1/2027	
7/1/2027	
1/1/2028	
7/1/2028	
1/1/2029	
7/1/2029	
1/1/2030	
7/1/2030	
1/1/2031	
7/1/2031	
1/1/2032	
Total	

EXHIBIT C
Credit Instrument

Credit Providers rated on a long term basis lower than "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc. are:

- None.

[End of Exhibit C]

Exhibit D
Additional Terms

The following additional terms related to GPR Projects (and the related defined terms) are applicable to the Loan.

“GPR Projects” shall mean Project components that meet the requirement of the “Green Project Reserve (GPR) Sustainability Incentive Program” consistent with SRF Policy Guidelines including applicable requirements of the Drinking Water SRF Act.

“GPR Projects Adjustment Fee” shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Drinking Water SRF Program’s interest rate policies and practices using the final, actual GPR Projects Expenditures (rather than the amount referenced in the Participant’s business case or categorical exclusion posted at www.srf.in.gov), all as determined by the Finance Authority.

“GPR Projects Expenditures” shall mean those costs and expenses incurred by the Participant that are part of the Project which are GPR Projects in nature (within the meaning of the Drinking Water SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program’s interest rate policies and practices.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a GPR Projects project. In the event GPR Projects Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the Participant’s business case or categorical exclusion, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a GPR Projects Adjustment Fee in connection with the Loan. Within ninety (90) days following Substantial Completion of Construction, the Participant shall certify to the Finance Authority those Loan disbursements it represents to be its GPR Projects Expenditures. The Participant understands and acknowledges that it is required to submit a business case or categorical exclusion documenting GPR Projects prior to loan closing or if a request is made pursuant to Section 3.02(f) of this Agreement.

[End of Exhibit D]

ATTACHMENT A
TO FINANCIAL ASSISTANCE AGREEMENT

**[TO BE COMPLETED & PROVIDED
BY FINANCE AUTHORITY PRIOR SALE DATE]**

The undersigned has reviewed the maturity dates, principal amounts and interest rate(s) set forth in the attached schedule and hereby acknowledges that the Participant will issue its Bonds in the respective principal amounts and at the respective interest rates set forth above on their Dated Date. The Dated Date of the Bonds shall be October ____, 2011 unless otherwise revised by the Finance Authority.

TOWN OF BROWNSBURG, INDIANA

By: _____

Printed: _____

Title: _____