City of Carmel

CARMEL FINANCE, UTILITIES AND RULES COMMITTEE MEETING AGENDA

MONDAY, AUGUST 3, 2026 - 4:30 PM
COUNCIL CHAMBERS/CITY HALL/ONE CIVIC SQUARE

1. THE PURPOSE OF THIS MEETING IS TO DISCUSS:

a. **Ordinance D-2834-26;** An Ordinance of the Common Council of the City of Carmel, Indiana, authorizing the acquisition, construction and installation of certain improvements for the waterworks system of the City of Carmel, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of such system, the safeguarding of the interests of the owners of such revenue bonds and other matters connected therewith, including the issuance of notes in anticipation of such bonds, and repealing ordinances inconsistent herewith; Sponsors: Councilors Taylor, Snyder, Worrell.

Synopsis: Bond ordinance permitting the issuance of waterworks revenue bonds of the City to pay for the design, acquisition, construction, installation and equipping of various improvements to the City's waterworks system.

b. **Ordinance D-2835-26;** An Ordinance of the Common Council of the City of Carmel, Indiana, authorizing the acquisition, construction and installation of certain improvements for the sewage works system of the City of Carmel, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of such system, the safeguarding of the interests of the owners of such revenue bonds and other matters connected therewith, including the issuance of notes in anticipation of such bonds, and repealing ordinances inconsistent herewith; Sponsors: Councilors Taylor, Snyder, Worrell.

Synopsis: Bond ordinance permitting the issuance of sewage works revenue bonds of the City to pay for the design, acquisition, construction, installation and equipping of various improvements to the City's sewage works system.

c. **Presentation of 2027 Budget Timeline from Finance Department**

Finance, Utilties and Rules Committee Members

Rich Taylor, Chair	Jeff Worrell	Tony Green	Shannon Minnaar
Appointed by City Council	Appointed by City Council	Appointed by City Council	Appointed by City Council
Jan - Dec 2026	Jan - Dec 2026	Jan - Dec 2026	Jan - Dec 2026

Sponsors: Councilors Taylor, Snyder and Worrell

REVISED AND AMENDED ORDINANCE NO. D-2834-26 (AFTER FIRST READING)

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

Synopsis:

Bond Ordinance permitting the issuance of Waterworks Revenue Bonds of the City to pay for the design, acquisition, construction, installation and equipping of various improvements to the City's waterworks system.

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

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

WHEREAS, the estimates prepared and delivered by the Engineer with respect to the costs of acquisition, construction, extension and installation of certain improvements for the System, and including all authorized expenses relating thereto, including the costs of issuance of bonds and bond anticipation notes on account thereof, will be in the estimated amount not to exceed ~~Nine~~Twelve Million ~~Six Hundred Thousand~~ Dollars ($~~9,600,000~~12,000,000) to be financed by the issuance of revenue bonds in an amount not to exceed ~~Nine~~Twelve Million ~~Six Hundred Thousand~~

Dollars ($~~9,600,000~~12,000,000) and bond anticipation notes in an amount not to exceed ~~Nine~~Twelve Million ~~Six Hundred Thousand~~ Dollars ($~~9,600,000~~12,000,000) and

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

WHEREAS, the Council finds that there are insufficient funds available to pay the cost of the Project, and that cost of the Project is to be financed by certain available funds on hand, if necessary, and through the issuance of its Waterworks revenue bonds, in one or more series (the "Bonds") and, if necessary, its bond anticipation notes (the "BANs"); and

WHEREAS, the City has issued its Waterworks Refunding Revenue Bonds of 2017 (the "2017 Bonds"), which were authorized by and issued pursuant to Ordinance No. D-2364-17 adopted by the Council on May 15, 2017 (the "2017 Ordinance"), which 2017 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Waterworks Revenue Bonds of 2021 (the "2021 Bonds"), which were authorized by and issued pursuant to Ordinance No. D-2550-20 adopted by the Council on November 5, 2020 (the "2021 Ordinance"), which 2021 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Taxable Waterworks Refunding Revenue Bonds, Series 2024A (the "2024A Bonds"), which were authorized by and issued pursuant to Ordinance No. D-2709-24 adopted by the Council on April 16, 2024 (the "2024 Ordinance", together with the 2017 Ordinance and the 2021 Ordinance, the "Prior Ordinancess"), which 2024A Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Taxable Waterworks Revenue and Refunding Bonds of 2024B (the "2024B Bonds"), which were authorized by and issued pursuant to the 2024 Ordinance, which 2024B Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Tax-Exempt Waterworks Revenue and Refunding Bonds of 2024C (the "2024C Bonds", together with the 2017 Bonds, the 2021 Bonds, the 2024A Bonds, the 2024B Bonds, the "Prior Bonds"), which were authorized by and issued pursuant to the 2024 Ordinance, which 2024C Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the Prior Ordinances allows for the issuance of additional bonds payable from revenues of the System and ranking on parity with the Prior Bonds; and

WHEREAS, the Council now finds that all conditions precedent to the issuance of the Bonds on a parity with the Prior Bonds have been or will be met; and

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF CARMEL, INDIANA, THAT:

SECTION 1. **Authorization of Project**. The City shall proceed with the completion of the Project in accordance with the Engineering Reports, which is now on file in the office of the Director of Utilities, and is hereby adopted and approved, and by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein. Two (2) copies of the Engineering Report are on file in the office of the Director of Utilities and open for public inspection pursuant to IC 36-1-5-4. The Project shall be constructed pursuant to and in accordance with the Act. The Project shall not be affected by the refunding of any BANs which may be issued pursuant to this Ordinance and any other interim borrowing related to the Project, and the bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Act. However, in the event the City desires to utilize proceeds of the Bonds for projects other than those contained in Exhibit A attached hereto, the Council shall first approve such projects and modify this Ordinance by adding them to the list in Exhibit A. The term "System," "works", "Utility", "Waterworks" and other like terms where used in this Ordinance shall be construed to mean the existing waterworks system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired, and all other items as defined in the Act, whether from the proceeds of the BANs and bonds herein authorized or otherwise. The Project shall be carried out in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. The Council hereby orders the Project, and the issuance of the Bonds under the Act, in the amount necessary to pay the Costs of the Project, pursuant to and in accordance with the Act, Indiana Code 5-1-14, Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5 and other applicable laws relating to the issuance of revenue bonds. The City reasonably expects to reimburse expenditures for the Project with proceeds of the Bonds and this constitutes a declaration of official intent pursuant to Treasury Regulation 1.150-2(e) and Indiana Code 5-1-14-6(c).

SECTION 2. **Issuance of BANs and Bonds**.

(a) The Bonds shall be issued, in one or more series, in an original principal amount not to exceed ~~Nine~~Twelve Million ~~Six Hundred Thousand~~ Dollars ($~~9,600,000~~12,000,000) designated "City of Carmel, Indiana, Waterworks Revenue Bonds of ____" [with the year and any series or other references added, revised or removed as appropriate], as negotiable, fully registered bonds, for the purpose of procuring funds to be applied to the costs of the Project, including without limitation reimbursement of preliminary expenses related to the Project and all incidental expenses incurred in connection therewith (all of which are deemed to be a part of the Project), and the costs of selling and issuing the Bonds. Each series of Bonds shall rank on parity with any other series of Bonds issued under this Ordinance and on parity with the Prior Bonds for all purposes upon satisfaction of the conditions set forth in the Prior Ordinances.

(b) The Bonds shall be issued in denominations of Five Thousand Dollars ($5,000) or any integral multiple thereof, or if privately placed then in denominations of One Hundred Thousand Dollars ($100,000) with integral multiples of One Thousand Dollars ($1,000), numbered consecutively from 1 upward, and dated as of the first day of the month in which they are sold or the date of delivery, as evidenced by the execution thereof. The Bonds shall bear interest at a rate or rates not exceeding seven percent (7.00%) per annum (the exact rate or rates to be determined by bidding or, if applicable, negotiations), and interest shall be payable semiannually on May 1 and November 1 in each year, beginning on the May 1 or November 1 selected by the Executive or the fiscal officer of the City (the "Fiscal Officer") upon the advice of the City's municipal advisor, as evidenced by delivery of the executed initial issue of the Bonds to the Registrar for authentication. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. The Bonds shall mature annually, or shall be subject to mandatory sinking fund redemption, on May 1 of each year. Each series of Bonds shall mature not later than May 1, 2058. Such Bonds may mature in amounts that will produce as level debt service as practicable with Five Thousand Dollar ($5,000) denominations, taking into account the annual debt service on the Prior Bonds and all other series of Bonds issued under this Ordinance. The amount of Bonds issued shall be determined by the Mayor of the City (the "Executive") and the Fiscal Officer, with the advice of the City's municipal advisor after fixing the amount of the funds of the Utility if any now on hand to be applied to the cost of the Project.

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

(d) The City has the authority to elect to issue its BAN or BANs if necessary, in lieu of initially issuing all or a portion of Bonds to provide interim construction financing for the Project until permanent financing becomes available. The BANs shall be issued pursuant to the provisions of I.C. § 5-1-14-5 or as otherwise permitted by law and approved by the Executive and Fiscal Officer. If so determined by the Executive and Fiscal Officer, the City shall issue its BANs for the purpose of procuring interim financing to apply to the cost of the Project.

(e) The BAN or BANs shall be issued, in one or more series, in an aggregate amount not exceeding ~~Nine~~Twelve Million ~~Six Hundred Thousand~~ Dollars ($~~9,600,000~~12,000,000) and shall be designated "City of Carmel, Indiana, Waterworks Bond Anticipation Note of _____" [with the year and any series or other references added, revised or removed as appropriate]. The BANs shall have a maturity not exceeding five (5) years, shall be dated the date of delivery and shall be in denominations of One Dollar ($1) or integral multiples thereof (or such higher minimum denomination as the Fiscal Officer shall determine prior to the sale of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall bear interest at a rate or rates not exceeding seven percent (7.00%) per annum, and may be sold at a discount not to exceed one percent (1%). The BANs are subject to renewal or extension at an interest rate or rates not to exceed 7.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The principal of and interest on the BANs shall be payable solely from the issuance of the Bonds and in the manner prescribed by the Act (or, with respect solely to interest, from a pledge of the Net Revenues). The City may also use other revenues or funds of the City legally available therefor, if any, including amounts available to the City out of federal or state funds available for application to the Project, for payment of the principal of the BANs; provided, however, that no funds other than proceeds from the issuance and sale of the Bonds, if and when issued, are pledged to the payment of principal of the BANs. BAN interest shall be calculated according to a 360-day calendar year containing twelve 30-day months. The BANs shall be subject to early redemption on or after any date selected by the Executive or Fiscal Officer prior to their issuance, upon seven (7) days' notice to the owner of such BAN, without a premium. BANs shall be in a customary form as approved by the Executive and Fiscal Officer.

(f) It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds; the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The City shall issue the Bonds described and authorized in this Ordinance to discharge its obligations under the BAN and BANs at or before the maturity date of the BAN or BANs.

SECTION 3. **Pledge of Net Revenues; Payment of Principal and Interest**. The Bonds, and any hereafter issued bonds ranking on a parity therewith, as to principal, premium, if any, and interest, shall be payable solely from and are hereby secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (defined as gross revenues, after deduction only for the payment of the reasonable expenses of operation, repair and maintenance but not including depreciation and payments in lieu of taxes) of the works (the "Net Revenues"), on a parity with the Prior Bonds for all purposes. The City shall not be obligated to pay the Bonds, any BANs or the interest thereon, except from the Net Revenues, and the Bonds and any BANs shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

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 first (1st) day of the month including an interest payment date (the "Record Date") at the addresses as they appear on the registration and transfer books of the City kept for that purpose by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent in writing by such registered owner. Each registered owner of $1,000,000 or more in principal amount of the Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All principal payments and premium payments, if any, on the Bonds shall be made upon surrender thereof at the principal office of the Paying Agent, in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a registered owner of $1,000,000 or more in principal amount of the Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date or redemption date.

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

SECTION 4. **<u>Transfer and Exchange of Bonds and BANs</u>.** Each Bond or BAN shall be transferable or exchangeable only upon the Registration Record, by the registered owner thereof in writing, or by the registered owner's attorney duly authorized in writing, upon surrender of such Bond or BAN, together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such attorney, and thereupon a new fully registered Bond or Bonds, or BAN or BANs, in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the names 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 City except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The City, the Registrar and the Paying Agent may treat and consider the persons in whose names such Bonds or BANs are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

In the event any Bond or BAN is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new bond shall be marked in a manner to distinguish it from the Bond or BAN for which it was issued, provided that, in the case of any mutilated Bond or BAN, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Fiscal Officer and the Registrar, together with indemnity satisfactory to them. In the event any such Bond or BAN shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such Bond or BAN with their reasonable fees and expenses in this connection. Any Bond or BAN issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, whether or not the lost, stolen or destroyed Bond or BAN shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bond or BAN issued hereunder.

SECTION 5. **<u>Registrar and Paying Agent</u>**. The Fiscal Officer is hereby authorized to serve as, or to appoint a qualified financial institution to serve as, Registrar and Paying Agent for the Bonds and any BANs (together with any successor, the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds and any BANs, and shall keep and maintain the Registration Record at its office. The Fiscal Officer is hereby authorized to enter into such agreements or understandings with any such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Fiscal Officer is further authorized to pay such fees and the institution may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Waterworks Bond Sinking Fund established to pay the principal of and interest on the Bonds and any BANs as fiscal agency charges.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days' written notice to the City and by first-class mail to each registered owner of the Bonds and any BANs then outstanding, and such resignation will take effect at the end of such thirty (30) days' or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or sent by first-class or registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the Bonds and any BANs then outstanding of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds and any BANs shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Registrar and Paying Agent shall deliver all the Bonds and any BANs, cash and investments related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent.

SECTION 6. **Terms of Redemption**. The Bonds may be made redeemable at the option of the City (a) on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City, and in each case, by lot within a maturity, on dates and with premiums, if any, and other terms as finally determined by the Executive and the Fiscal Officer with the advice of the City's Municipal advisor, as evidenced by delivery of the executed initial issue of the Bonds to the Registrar for authentication. Such determination shall be made and fixed separately for each series of Bonds issued.

Notice of redemption shall be mailed by first-class mail to the address of each registered owner of a Bond to be redeemed as shown on the Registration Record not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption, and in each case except to the extent such redemption notice is waived by owners of the Bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of any proceedings for the redemption of any other Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers (if any) of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any Bond without charge to the holder thereof.

SECTION 7. **Execution and Negotiability**. The Bonds and any BANs shall be signed in the name of the City by the manual or facsimile signature of the Executive, and attested by the manual or facsimile signature of the Fiscal Officer, who also shall affix the seal of the City manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears thereon shall cease to be such officer before the delivery of the Bonds and any BANs, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

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

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

SECTION 8. **Authorization for Book-Entry System**. The Bonds and any BANs may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of bonds to the purchasers. The following provisions of this Section apply in such event.

One definitive Bond or BAN of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds and any BANs as are necessary or appropriate to accomplish or recognize such book-entry form Bonds and any BANs.

During any time that the Bonds and any BANs are held in book-entry form on the books of a Clearing Agency, (1) any such Bond or BAN may be registered upon Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond or BAN is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond or BAN for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such Bond or BAN, the receiving of notice and the giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond or BAN, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or BAN or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond or BAN, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Bond or BAN called for partial redemption, if any, prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds and any BANs to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds and any BANs, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds and any BANs, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds and any BANs, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and any BANs and to transfer the ownership of each of the Bonds and any BANs to such person or persons, including any other Clearing Agency, as the holder of the Bonds and any BANs may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds and any BANs, shall be paid by the City.

During any time that the Bonds and any BANs are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of the Bonds and any BANs as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond or BAN has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds and any BANs as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Bonds and any BANs are held in book-entry form on the books of a Clearing Agency, the Executive, the Fiscal Officer and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the City shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Bonds and any BANs are held in book-entry form, the provisions of Section 8 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 9. **Form of the Bonds**. The form and tenor of the Bonds shall be substantially as follows (with such additions, deletions and modification as the Executive and Fiscal Officer may authorize, as conclusively evidenced by their signatures thereon), with all blanks to be filled in properly prior to delivery thereof:

R-___

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF HAMILTON

CITY OF CARMEL, INDIANA

WATERWORKS REVENUE BOND OF 20__

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Carmel, in Hamilton County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereafter provided), and to pay interest hereon until the Principal Sum shall be fully paid at the Interest Rate per annum set forth above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the first day of the month including an interest payment date (the "Record Date") and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before ________ 1, 20__, in which case it shall bear interest from the Original Date, which interest is payable semiannually on May 1 and November 1 of each year, beginning on _________ 15, 20__. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this bond are payable at the principal office of the Controller of the City of Carmel [the principal office of the financial institution so appointed] (the "Registrar" or "Paying Agent"), in Indianapolis, Indiana. All payments of interest on this bond shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record 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. Each Registered Owner of $1,000,000 or more in principal amount of bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of, and premium, if any, on this bond shall be made upon surrender thereof at the principal office of the Paying Agent, in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a Registered Owner of $1,000,000 or more in principal amount of the Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date or redemption date.]

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

This bond is one of an authorized issue of bonds of the City of Carmel, of Hamilton County, Indiana, of like date, tenor and effect except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating ______________________________ Dollars ($_________), numbered consecutively from 1 upward (the "Bonds"), issued for the purpose of providing funds to be applied for construction and acquisition of certain improvements to the Waterworks (the "Project"), and to pay incidental expenses and costs of issuance of the Bonds. This bond is issued pursuant to an ordinance adopted by the Common Council of said City on the ____ day of ________, ~~2024~~2026, entitled "An Ordinance of the of the Common Council of the City of Carmel, Indiana Authorizing the Acquisition, Construction and Installation of Certain Improvements for the Waterworks System of the City of Carmel, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of such System, the Safeguarding of the Interests of the Owners of such Revenue Bonds and Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of such Bonds, and Repealing Ordinances Inconsistence Herewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana 8-1.5, and other applicable laws, as amended (the "Act"), all as more particularly described in the Ordinance. The owner of this bond, by the acceptance hereof, agrees to all the terms and provisions contained in the Ordinance and the Act.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of said issue and any hereafter issued bonds ranking on a parity therewith are payable solely from the Waterworks Bond Sinking Fund (the "Waterworks Bond Sinking Fund") maintained under the Ordinance to be provided from the Net Revenues (defined as gross revenues, inclusive of System Development Charges (as defined in the Ordinance), of the works after deduction only for the payment of the reasonable expenses of operation, repair and maintenance excluding depreciation and payments in lieu of taxes) of the works, including all additions and improvements thereto and replacements thereof subsequently constructed or acquired on a basis that is on a parity with the Prior Bonds.

The City irrevocably pledges the entire Net Revenues of the works to the prompt payment of the principal of and interest on the Bonds on a parity with the payment of the principal of and interest on the __________ (the "Prior Bonds"), as authorized by the Prior Ordinances (as defined in the Ordinance) and any hereafter issued bonds ranking on a parity therewith, to the extent necessary for such purposes, and covenants that it will establish proper rates and charges for services rendered by the Utility (as defined in the Ordinance) as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works and for the payment of the sums required to be paid into the Waterworks Bond Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act.

The City covenants that for so long as the Bonds and any hereafter issued bonds ranking on a parity therewith remain outstanding it will set aside and pay into the Waterworks Bond Sinking Fund a sufficient amount of the Net Revenues for the payment of (a) the principal of and interest on all bonds which by their terms are payable from the Net Revenues, as such principal and interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and (c) an additional amount as a margin of safety to accumulate and maintain the reserve required by the Ordinance. Such required payments of the Bonds and any hereafter issued bonds ranking on a parity therewith, shall constitute a first charge upon all the Net Revenues. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

The bonds of this issue maturing on and after ___________ 15, 20__ are redeemable at the option of the City on __________, 20__ or any date thereafter, on [sixty (60)] [thirty (30)] days' notice, in whole or in part, [in inverse order of maturities] [in any order of maturities selected by the City] and by lot within a maturity, at 100% of face value, together with the following premiums:

____% if redeemed on _______ 15, 20____, or thereafter
on or before ________, 20__;
____% if redeemed on _______ 15, 20____, or thereafter
on or before ________, 20__;
____% if redeemed on _______ 15, 20____, or thereafter
prior to maturity;

plus accrued interest to the date fixed for redemption. Each minimum authorized denomination in principal amount shall be considered a separate bond for purposes of partial redemption.

[The bonds maturing on _________ 15, 20____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof, plus accrued interest, on ________ 15 in the years and in the amounts set forth below:

Year	Amount
*	

* Final Maturity]

Notice of such redemption shall be mailed by first-class mail not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption to the address of the registered owner of each bond to be redeemed as shown on the registration record of the City except to the extent such redemption notice is waived by owners of the bond or bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any bond shall not affect the validity of any proceedings for the redemption of any other bonds. The notice shall specify the date and place of redemption, the redemption price [and the CUSIP numbers] of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder.

This bond is subject to defeasance prior to payment or redemption as provided in the Ordinance.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent or another paying agent, 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 for payment and the City shall have no further obligation or liability in respect thereto.

This bond is transferable or exchangeable only upon the registration record kept for that purpose at the office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or such attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The City, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest and premium, if any, due hereon.

The bonds maturing on any maturity date are issuable only in the denomination of $5,000 [$100,000] or any integral multiple [$1,000] thereof.

[A Continuing Disclosure Contract from the City to each registered owner or holder of any bond, dated as of the date of initial issuance of the Bonds (the “Contract”), has been executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Contract contains certain promises of the City to each registered owner or holder of any bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Contract and to the exchange of such payment and acceptance for such promises.]

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

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

IN WITNESS WHEREOF, the City of Carmel, in Hamilton County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Controller.

CITY OF CARMEL, INDIANA

By: ______________________________________
Mayor

(SEAL)

ATTEST:

____
Controller

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

____
as Registrar

By: ______________________________________
Authorized Representative

The following abbreviations, when used in the inscription of 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. TRAN.
MIN. ACT ________ Custodian __________
(Cust.) (Minor)

under Uniform Transfer to Minors Act of

____
(State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Please Print or Typewrite Name and Address and Social Security or Other Identifying Number) $___________ principal amount (must be a multiple of [$1.00][$5,000]) 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.

Dated: ______________________

____
NOTICE: The Signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or

enlargement or any change whatsoever.

Signature Guaranteed:

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

EXHIBIT A

Date*	Amount	Date	Amount

[End of form of bonds]

SECTION 10. Sale of Bonds.

(a) The Bonds (or series thereof) may be sold in a competitive sale or by negotiation with a purchaser(s) (including, without limitation, an underwriter or a financial institution) selected by the Executive and Fiscal Officer on the advice of the City's municipal advisor, or to the Indiana Bond Bank pursuant to I.C. 5-1.5, as determined by the Executive and Fiscal Officer. If sold in a competitive sale, the Fiscal Officer shall cause to be published either (i) a notice of sale once each week for two consecutive weeks in accordance with I.C. §5-3-1-2, in which case the date fixed for the sale shall not be earlier than fifteen (15) days after the first of such publications and not earlier than three (3) days after the second of such publications, or (ii) a notice of intent to sell bonds once each week for two weeks in accordance with I.C. §5-1-11-2 and I.C. §5-3-1-4 and in a newspaper of general circulation published in the State capital, in which case bids may not be received more than ninety (90) days after the first of such publications. Said sale notice shall state the time and place of sale, the purpose for which the Bonds are being issued, the total amount thereof, the amount and date of each maturity, the maximum rate or rates of interest thereon, their denominations, the time and place of payment, the terms and conditions upon which bids will be received and the sale made and such other information as is required by law or as the Fiscal Officer shall deem necessary.

If sold by a competitive sale, bids for the Bonds (or series thereof) shall be sealed and shall be presented to the Fiscal Officer in accord with the terms set forth in the sale notice. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, which shall be the same for all Bonds maturing on the same date, not exceeding seven percent (7.00%) per annum, and such interest rate or rates shall be in multiples of one-eighth (1/8) or one hundredth (1/100) of one percent. The Fiscal Officer shall award the Bonds to the bidder who offers the lowest interest cost, to be determined by computing the total interest on all the Bonds to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of the discount, if any. No bid for less than ninety-nine percent (99.0%) of the par value of the Bonds, plus accrued interest, shall be considered. The Fiscal Officer may require that all bids be accompanied by certified or cashier's checks payable to the order of the City, or a surety bond, in an amount not to exceed one percent of the aggregate principal amount of the Bonds as a guaranty of the performance of said bid, should it be accepted. In the event no satisfactory bids are received on the day named in the sale notice, the sale may be continued from day to day thereafter for a period of thirty (30) days without readvertisement; provided, however, that if said sale is continued, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for sale in the bond sale notice. Fiscal Officer shall have full right to reject any and all bids.

If the Bonds (or series thereof) are sold by negotiated sale, the Executive is authorized to negotiate and execute a bond purchase agreement with one or more selected purchaser(s) on terms recommended by the City's municipal advisor, consistent with the parameters set forth in this Ordinance.

After the Bonds have been properly sold and executed, the Fiscal Officer shall receive from the purchasers payment for the Bonds and shall provide for delivery of the Bonds to the purchasers.

(b) The Bonds, when fully paid for and delivered to the purchaser shall be the binding special revenue obligations of the City, payable out of the Net Revenues. The proper officers of the City are hereby directed to sell the Bonds to the purchaser, 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.

(c) If necessary, the Executive and the Fiscal Officer each are hereby authorized to deem final an official statement with respect to the Bonds (or series thereof), as of its date, in accordance with the provisions of Rule 15c2-12 of the U.S. Securities and Exchange Commission, as amended (the "SEC Rule"), subject to completion as permitted by the SEC Rule, and the City further authorizes the distribution of the deemed final official statement, and the execution, delivery and distribution of such document as further modified and amended with the approval of the Executive or the Fiscal Officer in the form of a final official statement.

In order to assist any underwriter of the Bonds in complying with paragraph (b)(5) of the SEC Rule by undertaking to make available appropriate disclosure about the City and the Bonds to participants in the municipal securities market, the City hereby covenants, agrees and undertakes, in accordance with the SEC Rule, unless excluded from the applicability of the SEC Rule or otherwise exempted from the provisions of paragraph (b)(5) of the SEC Rule, that it will comply with and carry out all of the provisions of the continuing disclosure contract. "Continuing disclosure contract" shall mean that certain continuing disclosure contract executed by the City and dated the date of issuance of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The execution and delivery by the City of the continuing disclosure contract, and the performance by the City of its obligations thereunder by or through any employee or agent of the City, are hereby approved, and the City shall comply with and carry out the terms thereof.

(d) The Fiscal Officer is hereby authorized and directed to obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, and to furnish such opinion to the purchasers of the Bonds or to cause a copy of said legal opinion to be printed on each Bond. The cost of such opinion shall be paid out of the proceeds of the Bonds.

(e) In connection with the sale of the Bonds, the Executive and the Fiscal Officer each are authorized to take such actions and to execute and deliver such agreements and instruments as they deem advisable to obtain a rating and/or to obtain bond insurance for the Bonds, and the taking of such actions and the execution and delivery of such agreements and instruments are hereby approved.

(f) In connection with the sale of the BANs, the Executive and the Fiscal Officer each are authorized to take all or a part of the same authorized actions, and to execute and deliver the agreements and instruments, as they deem advisable with respect to the BANs to the same extent as if the foregoing provisions of this Section applicable to the Bonds were applied to the sale of the BANs, provided they shall not be required to take each and every such act as would relate to the Bonds unless by law it is required with respect to the BANs.

(g) Notwithstanding anything in this Ordinance and in lieu of a public sale of the Bonds pursuant to this Section, the Bonds (or series thereof) may, in the discretion of the Fiscal Officer, based upon the advice of the City's municipal advisor, be sold to the Indiana Bond Bank. In the event of such determination of sale to the Indiana Bond Bank, the Bonds shall be sold to the Indiana Bond Bank in such denomination or denominations as the Indiana Bond Bank may request, and pursuant to a qualified entity purchase agreement (the "Purchase Agreement") between the City and the Indiana Bond Bank, hereby authorized to be entered into and executed by the Executive on behalf of the City, and attested by the Fiscal Officer, subsequent to the date of the adoption of this Ordinance. Such Purchase Agreement may set forth the definitive terms and conditions for such sale, but all of such terms and conditions must be consistent with the terms and conditions of this Ordinance, including without limitation, the interest rate or rates on the Bonds which shall not exceed the maximum rate of interest for the Bonds authorized pursuant to this Ordinance. Bonds sold to the Indiana Bond Bank shall be accompanied by all documentation required by the Indiana Bond Bank pursuant to the provisions of Indiana Code 5-1.5 and the Purchase Agreement, including, without limitation, an approving opinion of nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the Bonds to the Indiana Bond Bank, challenging the validity or issuance of the Bonds. In the event the Fiscal Officer determines to sell the Bonds to the Indiana Bond Bank, the submission of an application to the Indiana Bond Bank, the entry by the City into the Purchase Agreement, and the execution and delivery of the Purchase Agreement on behalf of the City by the Executive in accordance with this Ordinance are hereby authorized, approved and ratified.

SECTION 11. **Use of Proceeds**. Any accrued interest received at the time of delivery of the Bonds or BANs (and, if deemed by the Executive or the Fiscal Officer to be in excess of Project needs, any premium), shall be deposited in the Waterworks Bond Sinking Fund (as hereafter defined) and applied to payments on the Bonds and any BANs on the first interest payment date. The proceeds from the sale of the Bonds and any BANs shall be deposited in a fund of the Utility hereby created and designated as "City of Carmel, Indiana Waterworks Bond Project Fund" (the "Project Fund"). The proceeds deposited in the Project Fund, together with all investment earnings thereon, shall be expended only for the purpose of paying the costs of the

Project, refunding the BANs if issued and the costs of selling and issuing the Bonds and any BANs, including the premium for any bond insurance obtained for the Bonds.

The City hereby declares that it reasonably expects to reimburse the City's advances to the Project from proceeds of any BANs or the Bonds, as anticipated by this Ordinance, and such declaration shall be deemed one within the meaning of the Reimbursement Regulations.

Any balance remaining in the Project Fund after the completion of the Project which is not required to meet unpaid obligations incurred in connection therewith and on account of the sale and issuance of the Bonds shall be paid (a) paid into the Waterworks Bond Sinking Fund (to be part of the hereinafter referenced Principal and Interest Amount) or (b) used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with I.C. 5-1-13, as amended or as otherwise permitted by law.

SECTION 12. <u>Revenue Fund</u>. There is hereby continued from the Prior Ordinances a fund known as the "Revenue Fund". The City shall segregate, deposit and keep in the Revenue Fund, separate and apart from all other funds of the City, all income and revenues (including any System Development Charges) received on account of the Waterworks, to be used and applied in the operation, repair and maintenance thereof, in the payment of the principal of and interest on the bonds payable from the Net Revenues of the Waterworks, in the maintenance of a reserve for such payment, in maintaining an improvement account, and for other purposes of the Waterworks. All monies deposited in the Revenue Fund may be invested in accordance with IC 5-13-9 and other applicable laws. The Revenue Fund shall be maintained separate and apart from all other accounts of the City and, other than as provided by Section 15 herein, no monies derived from the revenues of the Waterworks shall be transferred to the General Fund of the City or be used for any purpose not connected with the Waterworks.

SECTION 13. <u>Operation and Maintenance Fund</u>. On the last day of each month a sufficient amount of money shall be set aside and transferred from the Revenue Fund and deposited into a fund previously established and designated and continued hereby as the "Operation and Maintenance Fund", so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the Waterworks for the then next succeeding two (2) calendar months. The monies credited to the Operation and Maintenance Fund shall be used for the payment of the current necessary and reasonable expenses of operation, repair and maintenance of the Waterworks, not including depreciation and payments in lieu of taxes. Any monies in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding two months may be transferred to the Taxable Bonds Sinking Fund or the Tax-Exempt Bonds Sinking Fund (each as defined herein) necessary to prevent a default in the payment of the principal of or interest on the Bonds, the Prior Bonds, and any Future Parity Bonds (as hereinafter defined).

(h) **<u>Sinking Fund</u>**. (a) *Taxable Bonds.* There is hereby continued a fund designated as the Taxable Bonds Sinking Fund (the "Taxable Bonds Sinking Fund"), to be used for the payment of the principal of and interest on the Taxable Bonds (as defined in the 2024 Ordinance) and any hereafter issued bonds ranking on a parity therewith which by their terms are payable from the Net Revenues and the payment of any fiscal agency charges in connection with such payment. The Taxable Bonds Sinking Fund is further and additionally divided into two (2) additional accounts designated as the Taxable Bonds Principal and Interest Account and the Taxable Bonds Debt Service Reserve Account, which are pledged for the purposes set forth below. The Taxable Bonds Sinking Fund is on parity with the Tax-Exempt Bonds Sinking Fund and all deposits in each of the Taxable Bonds Sinking Fund and the Tax-Exempt Bonds Sinking Fund shall be pari-passu with respect to the requirements of each.

(i) *Taxable Bonds Principal and Interest Account*. There shall be transferred, on the last day of each calendar month, from the Revenue Fund and credited to the Taxable Bonds Principal and Interest Account an amount equal to the sum of at least one-twelfth (1/12) of the principal and at least one-sixth (1/6) of the interest on all then-outstanding Taxable Bonds and any hereafter issued bonds ranking on a parity therewith payable from Net Revenues on the next succeeding principal and interest payment dates (except in the instance of the first principal and interest payment dates next succeeding the issuance of the Taxable Bonds, an appropriately greater percentage as would result in such equal monthly transfers equaling the required payments), until the amount available therein shall equal the principal payable during the next succeeding twelve (12) calendar months and the interest payable during the next succeeding six (6) calendar months. There shall similarly be credited to the account any amount necessary to pay when due the bank fiscal agency charges for paying principal of and interest on the Taxable Bonds and any hereafter issued bonds ranking on a parity therewith as the same become payable. The City shall, from the sums deposited in the Taxable Bonds Sinking Fund and credited to the Taxable Bonds Principal 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 Taxable Bonds and any hereafter issued bonds ranking on a parity therewith the due dates thereof together with the amount of bank fiscal agency charges.

(ii) *Taxable Bonds Debt Service Reserve Account*. After meeting monthly deposits to the Taxable Bonds Sinking Fund required by the 2008 Bond Ordinance (as defined in the 2024 Ordinance), there shall be transferred, on the last day of each calendar month following the issuance of the Taxable Bonds, after making any required transfer to the Taxable Bonds Principal and Interest Account, from the Revenue Fund and credited to the Taxable Bonds Debt Service Reserve Account an amount to constitute an appropriate reserve to facilitate the marketing of the Taxable Bonds, which monthly deposits shall be in an amount sufficient to build the balance in the Taxable Bonds Debt Service Reserve Account (after consideration of any transfers made pursuant to the next following sentence) to an amount equal to the Taxable Reserve Requirement as defined below within no more than five (5) years on a level monthly basis (after accounting for earnings thereon). The Fiscal Officer, with the advice of the City's municipal advisor, may transfer an amount of the funds of the utility now on hand, or apply proceeds of the Taxable Bonds, in full or partial satisfaction of the Taxable Reserve Requirement at or after the issuance of the Taxable Bonds. After the issuance of the Taxable Bonds, the City shall maintain the balance in the Taxable Bonds Debt Service Reserve Account in an amount equal to the Taxable Reserve Requirement, subject to the provisions of this Ordinance or any ordinance authorizing and any hereafter issued bonds ranking on a parity therewith, which allows the Taxable Reserve Requirement to be accumulated over time. For these purposes, "Taxable Reserve Requirement" means the maximum annual debt service on the Taxable Bonds.

All money in the Taxable Bonds Debt Service Reserve Account shall be used and withdrawn solely for the purpose of making deposits into the Taxable Bonds Principal and Interest

Account, in the event of and to the extent of any deficiency in the Taxable Bonds Principal and Interest Account with respect to the payments then due on the Taxable Bonds and any hereafter issued bonds ranking on a parity therewith, or to make the final payments on such bonds when the Taxable Bonds Debt Service Reserve Account, together with other funds available for such purpose, is sufficient to make all remaining payments thereon to final maturity. Any amount in the Taxable Bonds Debt Service Reserve Account in excess of the Taxable Reserve Requirement shall be withdrawn from time to time, and at least as frequently as annually, and deposited in the Taxable Bonds Principal and Interest Account. Any deficiency in the balance required to be held in the Taxable Bonds Debt Service Reserve Account shall be promptly made up from the next available Net Revenues after credits to the Taxable Bonds Principal and Interest Account.

Notwithstanding the foregoing, the Fiscal Officer, with the advice of the City's municipal advisor and bond counsel, may enable the City to satisfy all or any part of its obligation to maintain an amount in the Taxable Bonds Debt Service Reserve Account equal to the Taxable Reserve Requirement by depositing a Reserve Fund Credit Facility in the Taxable Bonds Debt Service Reserve Account at or after the issuance of the Taxable Bonds, provided that such deposit does not adversely affect any then existing rating on the Taxable Bonds and any hereafter issued bonds ranking on a parity therewith; provided, A "Reserve Fund Credit Facility" is hereby defined as a letter of credit, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the City, for the purpose of satisfying in whole or in part the City's obligation to maintain the Taxable Reserve Requirement.

(b) *Tax-Exempt Bonds.* There is hereby continued a fund of the utility designated as the Tax-Exempt Bonds Sinking Fund (the "Tax-Exempt Bonds Sinking Fund"), to be used for the payment of the principal of and interest on the Bonds, Tax-Exempt Bonds (as defined in the 2024 Ordinance), the 2017 Bonds, the 2021 Bonds, and any hereafter issued bonds ranking on a parity therewith which by their terms are payable from the Net Revenues, and the payment of any fiscal agency charges in connection with such payment. The Tax-Exempt Bonds Sinking Fund is further and additionally divided into two (2) additional accounts designated as the Tax-Exempt Bonds Principal and Interest Account and the Tax-Exempt Bonds Debt Service Reserve Account, which are pledged for the purposes set forth below. The Tax-Exempt Bonds Sinking Fund is on parity with the Taxable Bonds Sinking Fund and all deposits in each of the Tax-Exempt Bonds Sinking Fund and the Taxable Bonds Sinking Fund shall be pari-passu with respect to the requirements of each.

(i) *Tax-Exempt Bonds Principal and Interest Account*. There shall be transferred, on the last day of each calendar month, from the Revenue Fund and credited to the Tax-Exempt Bonds Principal and Interest Account an amount equal to the sum of at least one-twelfth (1/12) of the principal and at least one-sixth (1/6) of the interest on all then-outstanding Bonds, Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith payable from Net Revenues on the next succeeding principal and interest payment dates (except in the instance of the first principal and interest payment dates next succeeding the issuance of the Tax-Exempt Bonds, an appropriately greater percentage as would result in such equal monthly transfers equaling the required payments), until the amount available therein shall equal the principal payable during the next succeeding twelve (12) calendar months and the interest payable during the next succeeding six (6) calendar months. There shall similarly be credited to the account any amount necessary to pay when due the bank fiscal agency charges for paying principal of and interest on the Bonds, Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith as the same become payable. The City shall, from the sums deposited in the Tax-Exempt Bonds Sinking Fund and credited to the Tax-Exempt Bonds Principal 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 Bonds, the Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith the due dates thereof together with the amount of bank fiscal agency charges.

(ii) *Tax-Exempt Bonds Debt Service Reserve Account*. After meeting monthly deposits to the Tax-Exempt Bonds Sinking Fund required by the 2017 Ordinance, the 2019 Ordinance, and the 2021 Ordinance, the 2024 Ordinance, the Ordinance, there shall be transferred, on the last day of each calendar month following the issuance of the Tax-Exempt Bonds, after making any required transfer to the Tax-Exempt Bonds Principal and Interest Account, from the Revenue Fund and credited to the Tax-Exempt Bonds Debt Service Reserve Account an amount to constitute an appropriate reserve to facilitate the marketing of the Tax-Exempt Bonds, which monthly deposits shall be in an amount sufficient to build the balance in the Tax-Exempt Bonds Debt Service Reserve Account (after consideration of any transfers made pursuant to the next following sentence) to an amount equal to the Tax-Exempt Reserve Requirement as defined below within no more than five (5) years on a level monthly basis (after accounting for earnings thereon). The Fiscal Officer, with the advice of the City's municipal advisor, may transfer an amount of the funds of the utility now on hand, or apply proceeds of the Tax-Exempt Bonds, in full or partial satisfaction of the Tax-Exempt Reserve Requirement at or after the issuance of the Tax-Exempt Bonds. After the issuance of the Tax-Exempt Bonds, the City shall maintain the balance in the Tax-Exempt Bonds Debt Service Reserve Account in an amount equal to the Tax-Exempt Reserve Requirement, subject to the provisions of this Ordinance, the 2017 Ordinance, the 2019 Ordinance, the 2021 Ordinance, the Ordinance or any ordinance authorizing and any hereafter issued bonds ranking on a parity therewith, which allows the Tax-Exempt Reserve Requirement to be accumulated over time. For these purposes, "Tax-Exempt Reserve Requirement" means the least of (i) ten percent (10%) of the proceeds of the Bonds, the Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith, (ii) the maximum annual debt service on the Bonds, the Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith, or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, the Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith; provided, however, if any of the outstanding bonds payable from Net Revenues on a parity with the Tax-Exempt Bonds are held by the Indiana Finance Authority pursuant to its SRF Program, then the reserve amount shall equal the maximum annual debt service on the Bonds, the Tax-Exempt Bonds, the 2017 Bonds, the 2021 Bonds and any hereafter issued bonds ranking on a parity therewith if so required by the Indiana Finance Authority.

All money in the Tax-Exempt Bonds Debt Service Reserve Account shall be used and withdrawn solely for the purpose of making deposits into the Tax-Exempt Bonds Principal and Interest Account, in the event of and to the extent of any deficiency in the Tax-Exempt Bonds Principal and Interest Account with respect to the payments then due on the Bonds, the 2024 Bonds, the 2017 Bonds, 2021 Bonds and any hereafter issued bonds ranking on a parity therewith, or to make the final payments on such bonds when the Tax-Exempt Bonds Debt Service Reserve Account, together with other funds available for such purpose, is sufficient to make all remaining payments thereon to final maturity. Any amount in the Tax-Exempt Bonds Debt Service Reserve Account in excess of the Tax-Exempt Reserve Requirement shall be withdrawn from time to time, and at least as frequently as annually, and deposited in the Tax-Exempt Bonds Principal and Interest Account. Any deficiency in the balance required to be held in the Tax-Exempt Bonds Debt Service Reserve Account shall be promptly made up from the next available Net Revenues after credits to the Tax-Exempt Bonds Principal and Interest Account.

Notwithstanding the foregoing, the Fiscal Officer, with the advice of the City's municipal advisor and bond counsel, may enable the City to satisfy all or any part of its obligation to maintain an amount in the Tax-Exempt Bonds Debt Service Reserve Account equal to the Tax-Exempt Reserve Requirement by depositing a Reserve Fund Credit Facility in the Tax-Exempt Bonds Debt Service Reserve Account at or after the issuance of the Tax-Exempt Bonds, provided that such deposit does not adversely affect any then existing rating on the Tax-Exempt Bonds and any hereafter issued bonds ranking on a parity therewith; provided. A "Reserve Fund Credit Facility" is hereby defined as a letter of credit, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the City, for the purpose of satisfying in whole or in part the City's obligation to maintain the Tax-Exempt Reserve Requirement.

SECTION 14. **Improvement Fund**. After making the monthly payments into the Operation and Maintenance Fund and the Waterworks Bond Sinking Fund as required by Section 13 and Section 14 of this Ordinance, all remaining Net Revenues shall be set aside and paid into the hereby continued Improvement Fund monthly, as available, for the purposes of such fund set forth below.

The Fund shall be used for improvements, replacements, additions and extensions of the Waterworks. Monies in the Improvement Fund shall be transferred to the Waterworks Bond Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds payable from the Waterworks Bond Sinking Fund or if necessary to eliminate any deficiencies in credits to or minimum balances in the Reserve Accounts. Monies in the Improvement Fund also may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the Waterworks. Any amounts on deposit in the Improvement Fund may be used for any lawful purpose related to the Waterworks, including payments in lieu of tax payments to the City ("PILOTs") so long as all required transfers have been made to the Waterworks Bond Sinking Fund, the Operation and Maintenance Fund, and the Accounts of the Sinking Fund contain the required balances as of the date the PILOTs are paid.

SECTION 15. **Investment of Funds**. The funds and accounts described herein shall be accounted for separate and apart from each other and from all other funds and accounts of the City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the Waterworks); provided, however, to the extent the City does not maintain separate accounts or subaccounts for the revenues and expenses of the Waterworks, it covenants and agrees that it has adopted sufficient accounting and/or bookkeeping practices to accurately track all revenues and expenses of the Waterworks. All monies deposited in the funds and accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that monies therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 13, as amended or supplemented, Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance.

The Fiscal Officer is hereby authorized pursuant to Indiana Code 5-1-14-3 to invest monies pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

The Fiscal Officer shall keep full and accurate records of investment earnings and income from monies held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Fiscal Officer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion. The Fiscal Officer may pay any fees as operation expenses of the Utility.

SECTION 16. **Financial Records and Accounts**. The City shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the Utility and all disbursements made therefrom and all transactions relating to the Utility. The City shall maintain on file the audited financial statements of the Utility prepared by the State Board of Accounts. There shall be furnished, upon written request, to any owner of the Bonds and any BANs, the most recent copy of the audited financial statements of the Utility prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Fiscal Officer.

SECTION 17. **Rate Covenant**. The City covenants and agrees that, by ordinance of the Council, it will establish and maintain just and equitable rates or charges for the use of and the services rendered by said Waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said Waterworks by or through any part of the Waterworks System of the City, or that in any way uses or is served by such Waterworks, at a level adequate to produce and maintain sufficient revenue to provide for the timely payment of debt service on the Prior Bonds, the Bonds and any Future Parity Bonds, to provide for the proper operation, repair and maintenance of the works, as the case may be, and for the payment of the sums required to be paid into the Waterworks Sinking Fund by the Act and this Ordinance, and to comply with and satisfy all covenants contained in this Ordinance.

SECTION 18. **Defeasance**. If, when the Bonds and any BANs or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds and any BANs or a portion thereof for redemption shall have been given, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such Bonds and any BANs or any portion thereof then outstanding shall be paid, or (i) sufficient monies or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient monies for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds and any BANs issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the works and all covenants of the City made for the benefit of the owners of such Bonds and any BANs so defeased from the lien created hereunder shall terminate and become void and shall no longer be of any force or effect.

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

(a) The principal of and interest on all bonds payable from the revenues of the Waterworks shall have been paid to date in accordance with their respective terms, and all required payments into the Waterworks Debt Service Account, the Prior Series Reserve Accounts and the Reserve Account shall have been made in accordance with the provisions of this Ordinance.

(b) The Net Revenues in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds (provided, within the 90 day period following the end of such preceding fiscal year, if such year's account records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding year) shall be not less than one hundred twenty five percent (125%) of the annual principal and interest requirements of the then outstanding parity bonds (including the Bonds) and the Future Parity Bonds proposed to be issued for each respective year during the term of such outstanding parity bonds and the proposed Future Parity Bonds; or, prior to the issuance of the Future Parity Bonds, the rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations (provided, within the 90 day period following the end of such preceding fiscal year, if such year's account records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding year) would have produced Net Revenues for said year equal to not less than one hundred twenty five percent (125%) of the annual principal and interest requirements of the then outstanding parity bonds for each respective year during the term of such outstanding parity bonds and the proposed Future Parity Bonds. For purposes of this subsection, the records of the works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose.

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

Future Parity Bonds shall be payable semiannually on May 1 and November 1 in the years in which such principal and interest are payable.

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

(a) The City shall at all times maintain the works in good condition, and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds or BANs are outstanding, the City shall maintain insurance on the insurable parts of the works, of a kind and in an amount such as would normally be carried by private entities engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged, or if not used for that purpose, shall be treated and applied as Revenues of the Waterworks Bond Sinking Fund.

(c) So long as any of the Bonds and any BANs are outstanding, the City shall not mortgage, pledge or otherwise encumber the works, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said Utility.

(d) Except as otherwise specifically provided in Section 20 of this Ordinance, so long as any of the Bonds and any BANs are outstanding, no Future Parity Bonds or other obligations pledging any portion of the revenues of the works shall be issued by the City, except such as shall be made junior and subordinate in all respects to the Bonds, unless all of the Bonds are defeased, redeemed or retired coincidentally with the delivery of such Future Parity Bonds or other obligations.

(e) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds and any BANs, all the terms of which shall be enforceable by any such owner by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds and any BANs and so long as any of the principal thereof or interest or premium, if any, thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of such owners, nor shall the Council or any other body of the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners. Except in the case of changes described in Section 22(a) through (f) hereof, this Ordinance may be amended, however, without the consent of bond owners, if the Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(f) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and any BANs for the uses and purposes herein set forth, and the owners of the Bonds and any BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and the Act. The provisions of this Ordinance shall also be construed to create a trust in the Net Revenues herein directed to be set apart and paid into the Waterworks Bond Sinking Fund for the uses and purposes of that Fund as set forth in this Ordinance. The owners of the Bonds and any BANs shall have all the rights, remedies and privileges set forth in the Act, including the right to have a receiver appointed to administer the Utility in the event the City shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said Utility and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Bonds or any BANs.

(g) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of the Bonds and any BANs and the operation of the Utility.

SECTION 21. Amendments With Consent of Bondholders. Subject to the terms and provisions contained in this section and Sections 20 and 23, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds and any BANs and then outstanding shall have the right, from time to time, to consent to and approve the adoption by the Council of such ordinance or ordinances supplemental hereto, as shall be deemed necessary or desirable by the City for the purpose of amending in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental Ordinance and provided that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any, on, or any mandatory sinking fund redemption date for, or an advancement of the earliest redemption date on, any Bond or BAN, without the consent of the holder of each Bond or BAN so affected; or

(b) A reduction in the principal amount of any Bond or BAN or the redemption premium or the rate of interest thereon, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond or BAN so affected; or

(c) The creation of a lien upon or a pledge of the Net Revenues ranking prior to the pledge thereof created by this Ordinance, without the consent of the holders of all Bonds then outstanding; or

(d) A preference or priority of any Bond or BAN over any other Bond or BAN, without the consent of the holders of all Bonds and any BANs then outstanding; or

(e) A reduction in the aggregate principal amount of the Bonds and any BANs required for consent to such supplemental ordinance, without the consent of the holders of all Bonds and any BANs then outstanding; or

(f) A reduction in the Reserve Requirement.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the Bonds and any BANs. The Registrar shall not, however, be subject to any liability to any owners of the Bonds and any BANs by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of the Bonds and any BANs of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the Bonds and any BANs then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the Bonds and any BANs, whether or not such owners shall have consented thereto.

No owner of any Bond or BAN 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 Council from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of the Bonds and any BANs then outstanding shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds and any BANs, and the terms and provisions of the Bonds and any BANs and this Ordinance, or any supplemental ordinance, may be modified or amended in any respect with the consent of the City and the consent of the owners of all the Bonds and any BANs then outstanding.

SECTION 22. Amendments Without Consent of Bondholders. The Council may, from time to time and at any time, and without notice to or consent of the owners of the Bonds and any BANs, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof):

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance;

(b) To grant to or confer upon the owners of the Bonds and any BANs any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds and any BANs;

(c) To procure a rating on the Bonds and any BANs from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the Bonds and any BANs;

(d) To obtain or maintain bond insurance with respect to the Bonds;

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

(f) To provide for the issuance of Future Parity Bonds or BANs as provided in Section 20 hereof; or

(g) To make any other change which, in the determination of the Council in its sole discretion, does not in any way adversely affect the rights of such owners of the Bonds and any BANs.

SECTION 23. **Tax Matters**. This section only applies to any series of Bonds or BANs issued on a tax-exempt basis for federal income tax purposes. In order to preserve the exclusion of interest on the Bonds and any BANs from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds and any BANs, the City represents, covenants and agrees that:

(a) No person or entity, other than the City or another state or local governmental unit, will use proceeds of the Bonds and any BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No portion of the principal of or interest on the Bonds and any BANs is (under the terms of the Bonds and any BANs, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No Bond or BAN proceeds will be loaned to any entity or person other than a state or local governmental unit. No Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The City will not take any action or fail to take any action with respect to the Bonds and any BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds and any BANs pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder as applicable to the Bonds and any BANs, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on Bond or BAN proceeds or other monies treated as Bond or BAN proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein, in trust for such purposes.

(e) The City will file an information report on Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(f) The City will not make any investment or do any other act or thing during the period that any Bond or BAN is outstanding hereunder which would cause any Bond or BAN to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as applicable to the Bonds and any BANs.

(g) It shall not be an event of default under this Ordinance if the interest on any Bonds or BANs 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 and any BANs, respectively. These covenants are based solely on current law in effect and in existence on the date of delivery of the Bonds and any BANs, respectively.

Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds and any BANs from gross income under federal law (the "Tax Exemption") need not be complied with to the extent the City receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 24. Additional Authority. (a) The Executive and Fiscal Officer, and either of them, is hereby authorized and directed to do and perform all acts and execute in the name of the City all such instruments, documents, papers or certificates which are necessary, desirable or appropriate to carry out the transactions contemplated by this Ordinance in such forms as the Executive or Fiscal Officer executing the same shall deem proper, to be conclusively evidenced by the execution thereof. Any provision of this Ordinance authorizing the Executive or Fiscal Officer to act shall mean either of them, individually rather than collectively, is so authorized and any action taken and agreement or undertaking executed in the name of the City by them in further of the same shall be deemed a proper use of such authority and will be conclusively evidenced by their execution of any agreement or undertaking, or by their taking of any such authorized action.

(b) In the event the Executive and Fiscal Officer with the advice of the municipal advisor to the City certifies to the City that it would be economically advantageous for the City to obtain a municipal bond insurance policy for any of the Bonds issued hereunder, the City hereby authorizes the purchase of such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference between the present value cost of (a) the total debt service on the Bonds if issued without municipal bond insurance and (b) the total debt service on the Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. The City also authorizes the purchase of a debt service reserve surety bond based upon the advice of the City's municipal advisor for the Bonds. If such an insurance policy or surety bond is purchased, the Executive or Fiscal Officer are hereby authorized to execute and deliver all agreements with the provider of the policy or surety bond, as the case may be, to the extent necessary to comply with the terms of such insurance policy, surety bond and the commitments to issue such policy or surety bond, as the case may be.

SECTION 25. Non-Business Days. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the jurisdiction in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 26. No Conflict. The Council hereby finds and determines that the adoption of this Ordinance and the issuance of the Bonds and any BANs is in compliance with the Prior Bond Ordinances. All ordinances and resolutions and parts thereof in conflict, are to the extent of such conflict hereby repealed. None of the provisions of this Ordinance shall be construed to adversely affect the rights of the owners of the Prior Bonds.

SECTION 27. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

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

SECTION 29. Interpretation. Unless the context or laws clearly require otherwise, references herein to statutes or other laws include the same as modified, supplemented or superseded from time to time. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

SECTION 30. **Effectiveness**. This Ordinance shall be in full force and effect from and after its passage and signing by the Executive.

*****

PASSED by the Common Council of the City of Carmel, Indiana this ___ day of ______________, 2026, by a vote of ______ ayes and ______ nays.

COMMON COUNCIL FOR THE CITY OF CARMEL, INDIANA

______________________________	______________________________
Matthew Snyder, President	Ryan Locke, Vice-President
______________________________	______________________________
Teresa Ayers	Matt Snyder
______________________________	______________________________
Tony Green	Rich Taylor
______________________________	______________________________
Jeff Worrell	Adam Aasen
______________________________	______________________________
Anita Joshi	Shannon Minnaar

ATTEST:

____
Jacob Quinn, Clerk

Presented by me to the Mayor of the City of Carmel, Indiana this ____ day of ___________________________ 2026, at _______ __.M.

____
Jacob Quinn, Clerk

Approved by me, Mayor of the City of Carmel, Indiana, this _____ day of __________________________ 2026, at _______ __.M.

____
Sue Finkam, Mayor

ATTEST:
____
Jacob Quinn, Clerk

Prepared by: Kimberly Blanchet
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, IN 46204

EXHIBIT A

Project
~~Wastewater~~Water Utility

The Project consists of the design, acquisition, construction, installation and equipping of various improvements to the City's Waterworks system, including without limitation the following related improvements: Michigan Road Fehsenfeld water main extension, 96th and Westfield water main extension, 146th Street water main extension, Carmel Drive, AAA Way and Kinzer Avenue water main extension, physical security and cyber security upgrades, and related improvements.

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Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanage.com/dms/53331068/1 - Carmel Waterworks 2026 -- Bond Ordinance Revised.docx	
Modified DMS: iw://cloudimanage.com/dms/53331068/2 - Carmel Waterworks 2026 -- Bond Ordinance Revised and Amended v.2.docx	
Changes:	
Add	14
~~Delete~~	18
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	32

SPONSORS: Councilors Taylor, Snyder and Worrell

REVISED AND AMENDED ORDINANCE NO. D-2835-26 (AFTER FIRST READING)

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

Synopsis:

Bond Ordinance permitting the issuance of Sewage Works Revenue Bonds of the City to pay for the design, acquisition, construction, installation and equipping of various improvements to the City's sewage works system.

WHEREAS, the City of Carmel, Indiana (the "City"), has heretofore established, constructed and financed a municipal sewage works system for the purpose of providing for the collection and treatment of wastewater from the City residents and users (the "System") pursuant to IC 36-9-23, as in effect on the issue date of the bond anticipation notes or the bonds, as applicable, which are authorized herein (the "Act"); and

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

WHEREAS, the estimates prepared and delivered by the Engineer with respect to the costs of acquisition, construction, extension and installation of certain improvements for the System, and including all authorized expenses relating thereto, including the costs of issuance of bonds and bond anticipation notes on account thereof, will be in the estimated amount not to exceed Thirty Million Dollars ($30,000,000) to be financed by the issuance of revenue bonds in an amount not to exceed Thirty Million Dollars ($30,000,000) and bond anticipation notes in an amount not to exceed Thirty Million Dollars ($30,000,000) and

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

WHEREAS, the Council finds that there are insufficient funds available to pay the cost of the Project, and that cost of the Project is to be financed by certain available funds on hand, if necessary, and through the issuance of its sewage works revenue bonds, in one or more series (the "Bonds") and, if necessary, its bond anticipation notes (the "BANs"); and

WHEREAS, the City has issued its Sewage Works Revenue Bonds of 2009 (the "2009 Bonds"), which were authorized by and issued pursuant to Ordinance No. D-1950-09 adopted by the Council on August 17, 2009 (the "2009 Ordinance"), which 2009 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Sewage Works Revenue Bonds of 2020 (the "2020 Bonds"), which were authorized by and issued pursuant to Ordinance No. D-2512-20 adopted by the Council on March 16, 2020 (the "2020 Ordinance"), which 2020 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Sewage Works Revenue Bonds of 2021 (the "2021 Bonds"), which were authorized by and issued pursuant to Ordinance No. D-2548-20 adopted by the Council on November 5, 2020 (the "2021 Ordinance~~", together with the 2009 Ordinance and the 2020 Ordinance, the "Prior Ordinances"~~), which 2021 Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Sewage Works Refunding Revenue Bonds of 2021 (the "2021 Refunding ~~Bonds", together with the 2009 Bonds, the 2020 Bonds and the 2021 Bonds, the "Prior~~ Bonds"), which were authorized by and issued pursuant to the 2021 Ordinance, which 2021 Refunding Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, the City has issued its Sewage Works Revenue Bond Anticipation Note of 2023 (the "2023 BAN" and, together with the 2009 Bonds, the 2020 Bonds, the 2021 Bonds and the 2021 Refunding Bonds, the "Prior Bonds"), payable from the issuance of bond payable out of the revenues of the Sewage Works authorized in the maximum principal amount of $12,000,000, authorized by and issued pursuant to the Ordinance No. D-2655-22, adopted by the Council on October 3, 2022 (the "2023 Ordinance" and, together with the 2009 Ordinance, the 2020 Ordinance and the 2021 Ordinance, the "Prior Ordinances"); and

WHEREAS, the 2023 BAN will mature on May 1, 2027; and

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

WHEREAS, the Council now finds that all conditions precedent to the issuance of the Bonds on a parity with the Prior Bonds have been or will be met; and

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF CARMEL, INDIANA, THAT:

SECTION 1. **Authorization of Project**. The City shall proceed with the completion of the Project in accordance with the Engineering Reports, which is now on file in the office of the Director of Utilities, and is hereby adopted and approved, and by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein. Two (2) copies of the Engineering Report are on file in the office of the Director of Utilities and open for public inspection pursuant to IC 36-1-5-4. The Project shall be constructed pursuant to and in accordance with the Act. The Project shall not be affected by the refunding of any BANs which may be issued pursuant to this Ordinance and any other interim borrowing related to the Project, and the bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Act. However, in the event the City desires to utilize proceeds of the Bonds for projects other than those contained in Exhibit A attached hereto, the Council shall first approve such projects and modify this Ordinance by adding them to the list in Exhibit A. The term "System," "works", "Utility", "sewage works" and other like terms where used in this Ordinance shall be construed to mean the existing Sewage Works system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired, and all other items as defined in the Act, whether from the proceeds of the BANs and bonds herein authorized or otherwise. The Project shall be carried out in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. The Council hereby orders the Project, and the issuance of the Bonds under the Act, in the amount necessary to pay the Costs of the Project, pursuant to and in accordance with the Act, Indiana Code 5-1-14, Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5 and other applicable laws relating to the issuance of revenue bonds. The City reasonably expects to reimburse expenditures for the Project with proceeds of the Bonds and this constitutes a declaration of official intent pursuant to Treasury Regulation 1.150-2(e) and Indiana Code 5-1-14-6(c).

SECTION 2. **Issuance of BANs and Bonds**.

(a) The Bonds shall be issued, in one or more series, in an original principal amount not to exceed Thirty Million Dollars ($30,000,000) designated "City of Carmel, Indiana, Sewage Works Revenue Bonds of ____" [with the year and any series or other references added, revised or removed as appropriate], as negotiable, fully registered bonds, for the purpose of procuring funds to be applied to the costs of the Project, including without limitation reimbursement of preliminary expenses related to the Project and all incidental expenses incurred in connection therewith (all of which are deemed to be a part of the Project), paying off outstanding bond anticipation notes, as applicable, and the costs of selling and issuing the Bonds. Each series of Bonds shall rank on parity with any other series of Bonds issued under this Ordinance and on parity with the Prior Bonds for all purposes upon satisfaction of the conditions set forth in the Prior Ordinance.

(b) The Bonds shall be issued in denominations of Five Thousand Dollars ($5,000) or any integral multiple thereof or if privately placed then in denominations of One Hundred Thousand Dollars ($100,000) with integral multiples of One Thousand Dollars ($1,000), numbered consecutively from 1 upward, and dated as of the first day of the month in which they are sold or the date of delivery, as evidenced by the execution thereof. The Bonds shall bear interest at a rate or rates not exceeding seven percent (7.00%) per annum (the exact rate or rates to be determined by bidding or, if applicable, negotiations), and interest shall be payable semiannually on May 1 and November 1 in each year, beginning on the May 1 or November 1 selected by the Executive or the fiscal officer of the City (the "Fiscal Officer") upon the advice of the City's municipal advisor, as evidenced by delivery of the executed initial issue of the Bonds to the Registrar for authentication. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. The Bonds shall mature annually, or shall be subject to mandatory sinking fund redemption, on May 1 of each year. Each series of Bonds shall mature not later than May 1, 2058. Such Bonds may mature in amounts that will produce as level debt service as practicable with Five Thousand Dollar ($5,000) denominations, taking into account the annual debt service on the Prior Bonds and all other series of Bonds issued under this Ordinance. The amount of Bonds issued shall be determined by the Mayor of the City (the "Executive") and the Fiscal Officer, with the advice of the City's municipal advisor after fixing the amount of the funds of the Utility if any now on hand to be applied to the cost of the Project.

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

(d) The City has the authority to elect to issue its BAN or BANs if necessary, in lieu of initially issuing all or a portion of Bonds to provide interim construction financing for the Project until permanent financing becomes available. The BANs shall be issued pursuant to the provisions of I.C. § 5-1-14-5 or as otherwise permitted by law and approved by the Executive and Fiscal Officer. If so determined by the Executive and Fiscal Officer, the City shall issue its BANs for the purpose of procuring interim financing to apply to the cost of the Project.

(e) The BAN or BANs shall be issued, in one or more series, in an aggregate amount not exceeding Thirty Million Dollars ($30,000,000) and shall be designated "City of Carmel, Indiana, Sewage Works Bond Anticipation Note of _____" [with the year and any series or other references added, revised or removed as appropriate]. The BANs shall have a maturity not exceeding five (5) years, shall be dated the date of delivery and shall be in denominations of One Dollar ($1) or integral multiples thereof (or such higher minimum denomination as the Fiscal Officer shall determine prior to the sale of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall bear interest at a rate or rates not exceeding seven percent (7.00%) per annum, and may be sold at a discount not to exceed one percent (1%). The BANs are subject to renewal or extension at an interest rate or rates not to exceed 7.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The principal of and interest on the BANs shall be payable solely from the issuance of the Bonds and in the manner prescribed by the Act (or, with respect solely to interest, from a pledge of the Net Revenues). The City may also use other revenues or funds of the City legally available therefor, if any, including amounts available to the City out of federal or state funds available for application to the Project, for payment of the principal of the BANs; provided, however, that no funds other than proceeds from the issuance and sale of the Bonds, if and when issued, are pledged to the payment of principal of the BANs. BAN interest shall be calculated according to a 360-day calendar year containing twelve 30-day months. The BANs shall be subject to early redemption on or after any date selected by the Executive or Fiscal Officer prior to their issuance, upon seven (7) days' notice to the owner of such BAN, without a premium. BANs shall be in a customary form as approved by the Executive and Fiscal Officer.

(f) It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds; the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The City shall issue the Bonds described and authorized in this Ordinance to discharge its obligations under the BAN and BANs at or before the maturity date of the BAN or BANs.

SECTION 3. **Pledge of Net Revenues; Payment of Principal and Interest**. The Bonds, and any hereafter issued bonds ranking on a parity therewith, as to principal, premium, if any, and interest, shall be payable solely from and are hereby secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (defined as gross revenues, after deduction only for the payment of the reasonable expenses of operation, repair and maintenance but not including depreciation and payments in lieu of taxes) of the works (the "Net Revenues"), on a parity with the Prior Bonds for all purposes. The City shall not be obligated to pay the Bonds, any BANs or the interest thereon, except from the Net Revenues, and the Bonds and any BANs shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

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 first (1st) day of the month including an interest payment date (the "Record Date") at the addresses as they appear on the registration and transfer books of the City kept for that purpose by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent in writing by such registered owner. Each registered owner of $1,000,000 or more in principal amount of the Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the

Paying Agent before the Record Date for any payment. All principal payments and premium payments, if any, on the Bonds shall be made upon surrender thereof at the principal office of the Paying Agent, in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a registered owner of $1,000,000 or more in principal amount of the Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date or redemption date.

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

SECTION 4. **Transfer and Exchange of Bonds and BANs.** Each Bond or BAN shall be transferable or exchangeable only upon the Registration Record, by the registered owner thereof in writing, or by the registered owner's attorney duly authorized in writing, upon surrender of such Bond or BAN, together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such attorney, and thereupon a new fully registered Bond or Bonds, or BAN or BANs, in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the names 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 City except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The City, the Registrar and the Paying Agent may treat and consider the persons in whose names such Bonds or BANs are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

In the event any Bond or BAN is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new bond shall be marked in a manner to distinguish it from the Bond or BAN for which it was issued, provided that, in the case of any mutilated Bond or BAN, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Fiscal Officer and the Registrar, together with indemnity satisfactory to them. In the event any such Bond or BAN shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such Bond or BAN with their reasonable fees and expenses in this connection. Any Bond or BAN issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, whether or not the lost, stolen or destroyed Bond or BAN shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bond or BAN issued hereunder.

SECTION 5. **Registrar and Paying Agent**. The Fiscal Officer is hereby authorized to serve as, or to appoint a qualified financial institution to serve as, Registrar and Paying Agent for the Bonds and any BANs (together with any successor, the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds and any BANs, and shall keep and maintain the Registration Record at its office. The Fiscal Officer is hereby authorized to enter into such agreements or understandings with any such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Fiscal Officer is further authorized to pay such fees and the institution may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Sewage Works Bond Sinking Fund established to pay the principal of and interest on the Bonds and any BANs as fiscal agency charges.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days' written notice to the City and by first-class mail to each registered owner of the Bonds and any BANs then outstanding, and such resignation will take effect at the end of such thirty (30) days' or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or sent by first-class or registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the Bonds and any BANs then outstanding of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds and any BANs shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Registrar and Paying Agent shall deliver all the Bonds and any BANs, cash and investments related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent.

SECTION 6. **Terms of Redemption**. The Bonds may be made redeemable at the option of the City (a) on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City, and in each case, by lot within a maturity, on dates and with premiums, if any, and other terms as finally determined by the Executive and the Fiscal Officer with the advice of the City's Municipal advisor, as evidenced by delivery of the executed initial issue of the Bonds to the Registrar for authentication. Such determination shall be made and fixed separately for each series of Bonds issued.

Notice of redemption shall be mailed by first-class mail to the address of each registered owner of a Bond to be redeemed as shown on the Registration Record not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption, and in each case except to the extent such redemption notice is waived by owners of the Bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of any proceedings for the redemption of any other Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers (if any) of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any Bond without charge to the holder thereof.

SECTION 7. **Execution and Negotiability**. The Bonds and any BANs shall be signed in the name of the City by the manual or facsimile signature of the Executive, and attested by the manual or facsimile signature of the Fiscal Officer, who also shall affix the seal of the City manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears thereon shall cease to be such officer before the delivery of the Bonds and any BANs, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

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

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

SECTION 8. **Authorization for Book-Entry System**. The Bonds and any BANs may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of bonds to the purchasers. The following provisions of this Section apply in such event.

One definitive Bond or BAN of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds and any BANs as are necessary or appropriate to accomplish or recognize such book-entry form Bonds and any BANs.

During any time that the Bonds and any BANs are held in book-entry form on the books of a Clearing Agency, (1) any such Bond or BAN may be registered upon Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond or BAN is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond or BAN for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such Bond or BAN, the receiving of notice and the giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond or BAN, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or BAN or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond or BAN, the receiving of notice or the giving of consent;

and (4) the Clearing Agency is not required to present any Bond or BAN called for partial redemption, if any, prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds and any BANs to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds and any BANs, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds and any BANs, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds and any BANs, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and any BANs and to transfer the ownership of each of the Bonds and any BANs to such person or persons, including any other Clearing Agency, as the holder of the Bonds and any BANs may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds and any BANs, shall be paid by the City.

During any time that the Bonds and any BANs are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of the Bonds and any BANs as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond or BAN has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds and any BANs as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Bonds and any BANs are held in book-entry form on the books of a Clearing Agency, the Executive, the Fiscal Officer and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the City shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Bonds and any BANs are held in book-entry form, the provisions of Section 8 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 9. **Form of the Bonds**. The form and tenor of the Bonds shall be substantially as follows (with such additions, deletions and modification as the Executive and Fiscal Officer may authorize, as conclusively evidenced by their signatures thereon), with all blanks to be filled in properly prior to delivery thereof:

R-___

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF HAMILTON

CITY OF CARMEL, INDIANA
SEWAGE WORKS REVENUE BOND OF 20__

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Carmel, in Hamilton County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereafter provided), and to pay interest hereon until the Principal Sum shall be fully paid at the Interest Rate per annum set forth above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the first day of the month including an interest payment date (the "Record Date") and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before ________ 1, 20__, in which case it shall bear interest from the Original Date, which interest is payable semiannually on May 1 and November 1 of each year, beginning on _________ 15, 20__. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this bond are payable at the principal office of the Controller of the City of Carmel [the principal office of the financial institution so appointed] (the "Registrar" or "Paying Agent"), in Indianapolis, Indiana. All payments of interest on this bond shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record 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. Each Registered Owner of $1,000,000 or more in principal amount of bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of, and premium, if any, on this bond shall be made upon surrender thereof at the principal office of the Paying Agent, in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a Registered Owner of $1,000,000 or more in principal amount of the Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date or redemption date.]

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

This bond is one of an authorized issue of bonds of the City of Carmel, of Hamilton County, Indiana, of like date, tenor and effect except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating ______________________________ Dollars ($_________), numbered consecutively from 1 upward (the "Bonds"), issued for the purpose of providing funds to be applied for construction and acquisition of certain improvements to the sewage works (the "Project"), and to pay incidental expenses and costs of issuance of the Bonds. This bond is issued pursuant to an ordinance adopted by the Common Council of said City on the ____ day of ________, 2024, entitled "An Ordinance of the of the Common Council of the City of Carmel, Indiana Authorizing the Acquisition, Construction and Installation of Certain Improvements for the Sewage Works System of the City of Carmel, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of such System, the Safeguarding of the Interests of the Owners of such Revenue Bonds and Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of such Bonds, and Repealing Ordinances Inconsistence Herewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana 36-9-23, and other applicable laws, as amended (the "Act"), all as more particularly described in the Ordinance. The owner of this bond, by the acceptance hereof, agrees to all the terms and provisions contained in the Ordinance and the Act.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of said issue and any hereafter issued bonds ranking on a parity therewith are payable solely from the Sewage Works Bond Sinking Fund Sinking Fund (the "Sinking Fund") maintained under the Ordinance to be provided from the Net Revenues (defined as gross revenues, inclusive of System Development Charges (as defined in the Ordinance), of the works after deduction only for the payment of the reasonable expenses of operation, repair and maintenance excluding depreciation and payments in lieu of taxes) of the works, including all additions and improvements thereto and replacements thereof subsequently constructed or acquired on a basis that is on a parity with the Prior Bonds.

The City irrevocably pledges the entire Net Revenues of the works to the prompt payment of the principal of and interest on the Bonds on a parity with the payment of the principal of and interest on the __________ (the "Prior Bonds"), as authorized by the Prior Ordinance (as defined in the Ordinance) and any hereafter issued bonds ranking on a parity therewith, to the extent necessary for such purposes, and covenants that it will establish proper rates and charges for services rendered by the Utility (as defined in the Ordinance) as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works and for the payment of the sums required to be paid into the Sewage Works Bond Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act.

The City covenants that for so long as the Bonds and any hereafter issued bonds ranking on a parity therewith remain outstanding it will set aside and pay into the Sewage Works Bond Sinking Fund a sufficient amount of the Net Revenues for the payment of (a) the principal of and interest on all bonds which by their terms are payable from the Net Revenues, as such principal and interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and (c) an additional amount as a margin of safety to accumulate and maintain the reserve required by the Ordinance. Such required payments of the Bonds and any hereafter issued bonds ranking on a parity therewith, shall constitute a first charge upon all the Net Revenues. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

The bonds of this issue maturing on and after ___________ 15, 20__ are redeemable at the option of the City on __________, 20__ or any date thereafter, on [sixty (60)] [thirty (30)] days' notice, in whole or in part, [in inverse order of maturities] [in any order of maturities selected by the City] and by lot within a maturity, at 100% of face value, together with the following premiums:

____% if redeemed on _______ 15, 20____, or thereafter
on or before ________, 20__;
____% if redeemed on _______ 15, 20____, or thereafter
on or before ________, 20__;
____% if redeemed on _______ 15, 20____, or thereafter
prior to maturity;

plus accrued interest to the date fixed for redemption. Each minimum authorized denomination in principal amount shall be considered a separate bond for purposes of partial redemption.

[The bonds maturing on _________ 15, 20____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof, plus accrued interest, on ________ 15 in the years and in the amounts set forth below:

Year	Amount

*

* Final Maturity]

Notice of such redemption shall be mailed by first-class mail not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption to the address of the registered owner of each bond to be redeemed as shown on the registration record of the City except to the extent such redemption notice is waived by owners of the bond or bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any bond shall not affect the validity of any proceedings for the redemption of any other bonds. The notice shall specify the date and place of redemption, the redemption price [and the CUSIP numbers] of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder.

This bond is subject to defeasance prior to payment or redemption as provided in the Ordinance.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent or another paying agent, 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 for payment and the City shall have no further obligation or liability in respect thereto.

This bond is transferable or exchangeable only upon the registration record kept for that purpose at the office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or such attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The City, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest and premium, if any, due hereon.

The bonds maturing on any maturity date are issuable only in the denomination of $5,000 [$100,000] or [$1,000] any integral multiple thereof.

[A Continuing Disclosure Contract from the City to each registered owner or holder of any bond, dated as of the date of initial issuance of the Bonds (the “Contract”), has been executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Contract contains certain promises of the City to each registered owner or holder of any bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Contract and to the exchange of such payment and acceptance for such promises.]

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

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

IN WITNESS WHEREOF, the City of Carmel, in Hamilton County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Controller.

CITY OF CARMEL, INDIANA

By: ____
Mayor

(SEAL)

ATTEST:

____
Controller

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

____
as Registrar

By: ____
Authorized Representative

The following abbreviations, when used in the inscription of 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. TRAN. MIN. ACT	________ Custodian __________ (Cust.) (Minor) under Uniform Transfer to Minors Act of ____________________________________ (State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Please Print or Typewrite Name and Address and Social Security or Other Identifying Number) $___________ principal amount (must be a multiple of [$1.00][$5,000]) 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.

Dated: ______________________

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

Signature Guaranteed:

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

EXHIBIT A

Date*	Amount	Date	Amount

[End of form of bonds]

SECTION 10. Sale of Bonds.

(a) The Bonds (or series thereof) may be sold in a competitive sale or by negotiation with a purchaser(s) (including, without limitation, an underwriter or a financial institution) selected by the Executive and Fiscal Officer on the advice of the City's municipal advisor, or to the Indiana Bond Bank pursuant to I.C. 5-1.5, as determined by the Executive and Fiscal Officer. If sold in a competitive sale, the Fiscal Officer shall cause to be published either (i) a notice of sale once each week for two consecutive weeks in accordance with I.C. §5-3-1-2, in which case the date fixed for the sale shall not be earlier than fifteen (15) days after the first of such publications and not earlier than three (3) days after the second of such publications, or (ii) a notice of intent to sell bonds once each week for two weeks in accordance with I.C. §5-1-11-2 and I.C. §5-3-1-4 and in a newspaper of general circulation published in the State capital, in which case bids may not be received more than ninety (90) days after the first of such publications. Said sale notice shall state the time and place of sale, the purpose for which the Bonds are being issued, the total amount thereof, the amount and date of each maturity, the maximum rate or rates of interest thereon, their denominations, the time and place of payment, the terms and conditions upon which bids will be received and the sale made and such other information as is required by law or as the Fiscal Officer shall deem necessary.

If sold by a competitive sale, bids for the Bonds (or series thereof) shall be sealed and shall be presented to the Fiscal Officer in accord with the terms set forth in the sale notice. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, which shall be the same for all Bonds maturing on the same date, not exceeding seven percent (7.00%) per annum, and such interest rate or rates shall be in multiples of one-eighth (1/8) or one hundredth

(1/100) of one percent. The Fiscal Officer shall award the Bonds to the bidder who offers the lowest interest cost, to be determined by computing the total interest on all the Bonds to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of the discount, if any. No bid for less than ninety-nine percent (99.0%) of the par value of the Bonds, plus accrued interest, shall be considered. The Fiscal Officer may require that all bids be accompanied by certified or cashier's checks payable to the order of the City, or a surety bond, in an amount not to exceed one percent of the aggregate principal amount of the Bonds as a guaranty of the performance of said bid, should it be accepted. In the event no satisfactory bids are received on the day named in the sale notice, the sale may be continued from day to day thereafter for a period of thirty (30) days without readvertisement; provided, however, that if said sale is continued, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for sale in the bond sale notice. Fiscal Officer shall have full right to reject any and all bids.

If the Bonds (or series thereof) are sold by negotiated sale, the Executive is authorized to negotiate and execute a bond purchase agreement with one or more selected purchaser(s) on terms recommended by the City's municipal advisor, consistent with the parameters set forth in this Ordinance.

After the Bonds have been properly sold and executed, the Fiscal Officer shall receive from the purchasers payment for the Bonds and shall provide for delivery of the Bonds to the purchasers.

(b) The Bonds, when fully paid for and delivered to the purchaser shall be the binding special revenue obligations of the City, payable out of the Net Revenues. The proper officers of the City are hereby directed to sell the Bonds to the purchaser, 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.

(c) If necessary, the Executive and the Fiscal Officer each are hereby authorized to deem final an official statement with respect to the Bonds (or series thereof), as of its date, in accordance with the provisions of Rule 15c2-12 of the U.S. Securities and Exchange Commission, as amended (the "SEC Rule"), subject to completion as permitted by the SEC Rule, and the City further authorizes the distribution of the deemed final official statement, and the execution, delivery and distribution of such document as further modified and amended with the approval of the Executive or the Fiscal Officer in the form of a final official statement.

In order to assist any underwriter of the Bonds in complying with paragraph (b)(5) of the SEC Rule by undertaking to make available appropriate disclosure about the City and the Bonds to participants in the municipal securities market, the City hereby covenants, agrees and undertakes, in accordance with the SEC Rule, unless excluded from the applicability of the SEC Rule or otherwise exempted from the provisions of paragraph (b)(5) of the SEC Rule, that it will comply with and carry out all of the provisions of the continuing disclosure contract. "Continuing disclosure contract" shall mean that certain continuing disclosure contract executed by the City and dated the date of issuance of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The execution and delivery by the City of the continuing disclosure contract, and the performance by the City of its obligations thereunder by or through any employee or agent of the City, are hereby approved, and the City shall comply with and carry out the terms thereof.

(d) The Fiscal Officer is hereby authorized and directed to obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, and to furnish such opinion to the purchasers of the Bonds or to cause a copy of said legal opinion to be printed on each Bond. The cost of such opinion shall be paid out of the proceeds of the Bonds.

(e) In connection with the sale of the Bonds, the Executive and the Fiscal Officer each are authorized to take such actions and to execute and deliver such agreements and instruments as they deem advisable to obtain a rating and/or to obtain bond insurance for the Bonds, and the taking of such actions and the execution and delivery of such agreements and instruments are hereby approved.

(f) In connection with the sale of the BANs, the Executive and the Fiscal Officer each are authorized to take all or a part of the same authorized actions, and to execute and deliver the agreements and instruments, as they deem advisable with respect to the BANs to the same extent as if the foregoing provisions of this Section applicable to the Bonds were applied to the sale of the BANs, provided they shall not be required to take each and every such act as would relate to the Bonds unless by law it is required with respect to the BANs.

(g) Notwithstanding anything in this Ordinance and in lieu of a public sale of the Bonds pursuant to this Section, the Bonds (or series thereof) may, in the discretion of the Fiscal Officer, based upon the advice of the City's municipal advisor, be sold to the Indiana Bond Bank. In the event of such determination of sale to the Indiana Bond Bank, the Bonds shall be sold to the Indiana Bond Bank in such denomination or denominations as the Indiana Bond Bank may request, and pursuant to a qualified entity purchase agreement (the "Purchase Agreement") between the City and the Indiana Bond Bank, hereby authorized to be entered into and executed by the Executive on behalf of the City, and attested by the Fiscal Officer, subsequent to the date of the adoption of this Ordinance. Such Purchase Agreement may set forth the definitive terms and conditions for such sale, but all of such terms and conditions must be consistent with the terms and conditions of this Ordinance, including without limitation, the interest rate or rates on the Bonds which shall not exceed the maximum rate of interest for the Bonds authorized pursuant to this Ordinance. Bonds sold to the Indiana Bond Bank shall be accompanied by all documentation required by the Indiana Bond Bank pursuant to the provisions of Indiana Code 5-1.5 and the Purchase Agreement, including, without limitation, an approving opinion of nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the Bonds to the Indiana Bond Bank, challenging the validity or issuance of the Bonds. In the event the Fiscal Officer determines to sell the Bonds to the Indiana Bond Bank, the submission of an application to the Indiana Bond Bank, the entry by the City into the Purchase Agreement, and the execution and delivery of the Purchase Agreement on behalf of the City by the Executive in accordance with this Ordinance are hereby authorized, approved and ratified.

SECTION 11. **Use of Proceeds**. Any accrued interest received at the time of delivery of the Bonds or BANs (and, if deemed by the Executive or the Fiscal Officer to be in excess of Project needs, any premium), shall be deposited in the Sinking Fund (as hereafter defined) and applied to payments on the Bonds and any BANs on the first interest payment date. The proceeds from the sale of the Bonds and any BANs shall be deposited in a fund of the Utility hereby created and designated as "City of Carmel, Indiana Sewage Works Bond Project Fund" (the "Project Fund"). The proceeds deposited in the Project Fund, together with all investment earnings thereon, shall be expended only for the purpose of paying the costs of the Project, current refunding of the 2023 BAN, refunding the BANs if issued and the costs of selling and issuing the Bonds and any BANs, including the premium for any bond insurance obtained for the Bonds.

The City hereby declares that it reasonably expects to reimburse the City's advances to the Project from proceeds of any BANs or the Bonds, as anticipated by this Ordinance, and such declaration shall be deemed one within the meaning of the Reimbursement Regulations.

Any balance remaining in the Project Fund after the completion of the Project which is not required to meet unpaid obligations incurred in connection therewith and on account of the sale and issuance of the Bonds shall be paid (a) paid into the Sinking Fund (to be part of the hereinafter referenced Principal and Interest Amount) or (b) used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with I.C. 5-1-13, as amended or as otherwise permitted by law.

SECTION 12. Revenue Fund. There is hereby continued from the Prior Ordinance a fund known as the "City of Carmel, Sewage Works Revenue Fund" (the "Revenue Fund"). The City shall segregate, deposit and keep in the Revenue Fund, separate and apart from all other funds of the City, all income and revenues (including any System Development Charges) received on account of the Sewage Works, to be used and applied in the operation, repair and maintenance thereof, in the payment of the principal of and interest on the bonds payable from the Net Revenues of the Sewage Works, in the maintenance of a reserve for such payment, in maintaining an improvement account, and for other purposes of the Sewage Works. All monies deposited in the Revenue Fund may be invested in accordance with IC 5-13-9 and other applicable laws. The Revenue Fund shall be maintained separate and apart from all other accounts of the City and, other than as provided by Section 15 herein, no monies derived from the revenues of the Sewage Works shall be transferred to the General Fund of the City or be used for any purpose not connected with the Sewage Works. Nothing in this Ordinance shall require the City to keep such revenues in such a fund so long as the City is able to account for all such revenue and have it available for the funds of the Funds and Accounts of the works as set forth below on a regular, consistently applied monthly cycle. The orderly allocation of revenues of the works may be processed on a combined billing basis with other utilities of the City, provided that the cycle is complete by the end of the month next following the receipt of any payment made in respect of the works.

SECTION 13. Operation and Maintenance Fund. On the last day of each month a sufficient amount of money shall be set aside and transferred from the Revenue Fund and deposited into a fund previously established and designated and continued hereby as the "Operation and Maintenance Fund", so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the Sewage Works for the then next succeeding two (2) calendar months. The monies credited to the Operation and Maintenance ~~Fundshall~~Fund shall be used for the payment of the current necessary and reasonable expenses of operation, repair and maintenance of the Sewage Works, not including depreciation and payments in lieu of taxes. Any monies in the Operation and Maintenance Fundin excess of the expected expenses of operation, repair and maintenance for the next succeeding two months may be transferred to the Sewage Works Bond Sinking Fund (as defined herein) necessary to prevent a default in the payment of the principal of or interest on the Bonds, the Prior Bonds, and any Future Parity Bonds (as hereinafter defined).

SECTION 14. **Sinking Fund**. A special fund designated "Sinking Fund" was previously established and continued hereby and constituted as the sinking fund, as required by the Act, for the payment of the principal of and interest on any outstanding Prior Bonds, the Bonds and any Future Parity Bonds, or any other bonds subordinate thereto, and for the payment of any fiscal agency charges in connection with the payment of the principal of or interest on such bonds. The Sinking Fund shall be continued until all of the bonds payable from the net revenues of the Sewage Works have been paid. The Sinking Fund shall consist of a Debt Service Account and separate Reserve Accounts securing specified series of bonds payable from the Net Revenues of the Sewage Works. After making the required monthly payments into the Operation and Maintenance Fund pursuant to Section 13 of this Ordinance, Net Revenues of the Sewage Works shall be transferred from the Revenue Fund and paid and deposited into the Debt Service Account of the Sewage Works Bond Sinking Fund monthly, as available, in an amount sufficient for the payment of (a) the interest on any outstanding Prior Bonds, the Bonds and any Future Parity Bonds; (b) the principal of any outstanding Prior Bonds, the Bonds and any Future Parity Bonds; and (c) the necessary fiscal agency charges for paying the principal of and interest on any outstanding Prior Bonds, the Bonds and any bonds hereafter issued and payable by the terms from the Net Revenues of the Sewage Works.

(a) Debt Service Account. The monthly payments into the Debt Service Account shall be in an amount equal to at least one-sixth (1/6) of the amount required for the payment of interest on any outstanding Prior Bonds, the Bonds and all Future Parity Bonds during the next succeeding six (6) calendar months, plus an amount equal to one-twelfth (1/12) of the amount required during the then next-succeeding twelve (12) calendar months for payments into the Debt Service Account of the Sinking Fund for the purposes described herein other than the payment of interest. With respect to the monthly payments into the Debt Service Account of the Sinking Fund prior to the first principal date on the Bonds, the monthly payments shall be in an amount equal to the product of (i) a fraction, the numerator of which is (1), and the denominator of which is the number of months from the date of issuance of the Bonds to the next interest payment date on the Bonds, rounded to the next smallest whole number, and (ii) the amount required for the payment of interest of the Prior Bonds, the Bonds and all Future Parity Bonds, on the next interest payment date for the Bonds, plus an amount equal to the product of (i) a fraction, the numerator of which is one (1), and the denominator of which is the number of months from the date of issuance of the Bonds to the first payment date on the Bonds, rounded to the next smallest whole number, and (ii) the amount required for payment into the Debt Service Account of the Sinking Fund for the purposes described herein other than the payment of interest.

(b) Reserve Accounts. On the date of delivery of the Bonds of a series authorized by this Ordinance, the City shall, to the extent directed by the Fiscal Officer with the advice of the City's municipal advisor, deposit into the Reserve Account from funds on hand, proceeds of such series of Bonds, a Qualified Surety Bond, or a combination of one or more of the above to satisfy the Reserve Requirement (as hereinafter defined) with respect to the respective series of Bonds. To the extent necessary to satisfy the Reserve Requirement for the respective series of Bonds, there shall be deposited into the Reserve Account Net Revenues in equal monthly installments over a

60-month period (commencing on the date of issuance of such series of the Bonds). With respect to any bonds hereafter issued that are payable from Net Revenues on parity with the Bonds issued pursuant to this Ordinance ("Future Parity Bonds"), the Reserve Requirement with respect to such Future Parity Bonds may be satisfied by depositing Net Revenues into the Reserve Account in equal monthly installments over a 60-month period (commencing upon the date of delivery of such Future Parity Bonds).

The balance in each of the Reserve Accounts shall equal but not exceed the least of (i) the maximum annual debt service on such applicable issue of bonds, (ii) 125% of the average annual debt service on such applicable issue of bonds; and (iii) ten percent (10%) of the proceeds of such applicable issue of bonds (the "Reserve Requirement").

The Reserve Account is pledged, and shall only be available, to pay the debt service on the Bonds issued pursuant to this Ordinance and any Future Parity Bonds.

The respective Reserve Accounts shall constitute the margin for safety and a protection against default in the payment of respective principal of and interest on the Prior Bonds, the Bonds and any Future Parity Bonds so long as the respective Reserve Requirements has been appropriately increased, and the monies in each Reserve Account shall be used only to pay the respective current principal of and interest on the Prior Bonds, the Bonds and any Future Parity Bonds to the extent that monies in the Debt Service Account, after being applied on parity (pro rata) basis, are insufficient for that purpose.

Any deficiencies in credits to the respective Reserve Accounts of the Sinking Fund shall be promptly made up from the next available Net Revenues remaining after credits into the Debt Service Account on parity (pro rata) basis. In the event monies in respective Reserve Accounts are transferred to the Debt Service Account to pay principal and interest on the Bonds, the Prior Bonds and any Future Parity Bonds, then such depletion of the balance in the respective Reserve Accounts shall be made up from the next available Net Revenues on parity (pro rata) basis after the credits into the Debt Service Account hereinbefore provided for.

No monies shall be held in any Reserve Account in excess of the applicable reserve requirement.

SECTION 15. **Improvement Fund**. After making the monthly payments into the Operation and Maintenance Fund and the Sinking Fund as required by Section 13 and Section 14 of this Ordinance, all remaining Net Revenues shall be set aside and paid into the hereby continued Improvement Fund monthly, as available, for the purposes of such fund set forth below.

The Fund shall be used for improvements, replacements, additions and extensions of the Sewage Works. Monies in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds payable from the Sinking Fund or if necessary to eliminate any deficiencies in credits to or minimum balances in the Reserve Accounts. Monies in the Improvement Fund also may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the Sewage Works. Any amounts on deposit in the Improvement Fund may be used for any lawful purpose related to the Sewage Works, including payments in lieu of tax payments to the City ("PILOTs") so long as all required transfers have been made to the Sinking Fund, the Operation and Maintenance Fund, and the Accounts of the Sinking Fund contain the required balances as of the date the PILOTs are paid.

SECTION 16. <u>Investment of Funds</u>. The funds and accounts described herein shall be accounted for separate and apart from each other and from all other funds and accounts of the City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the Sewage Works); provided, however, to the extent the City does not maintain separate accounts or subaccounts for the revenues and expenses of the Sewage Works, it covenants and agrees that it has adopted sufficient accounting and/or bookkeeping practices to accurately track all revenues and expenses of the Sewage Works. All monies deposited in the funds and accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that monies therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 13, as amended or supplemented, Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4, Indiana Code 5-1.2-10, Indiana Code 5-1.2-11, Indiana Code 5-1.2-14 and/or Indiana Code 5-1.2-14.5, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance.

The Fiscal Officer is hereby authorized pursuant to Indiana Code 5-1-14-3 to invest monies pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

The Fiscal Officer shall keep full and accurate records of investment earnings and income from monies held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Fiscal Officer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion. The Fiscal Officer may pay any fees as operation expenses of the Utility.

SECTION 17. <u>Financial Records and Accounts</u>. The City shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the Utility and all disbursements made therefrom and all transactions relating to the Utility. The City shall maintain on file the audited financial statements of the Utility prepared by the State Board of Accounts. There shall be furnished, upon written request, to any owner of the Bonds and any BANs, the most recent copy of the audited financial statements of the Utility prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Fiscal Officer.

SECTION 18. <u>Rate Covenant</u>. The City covenants and agrees that, by ordinance of the Council, it will establish and maintain just and equitable rates or charges for the use of and the services rendered by said Sewage Works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said Sewage Works by or through any part of the Sewage Works System of the City, or that in any way uses or is served by such Sewage Works, at a level adequate to produce and maintain sufficient revenue to provide for the timely payment of debt service on the Prior Bonds, the Bonds and any Future Parity Bonds, to provide for the proper operation, repair and maintenance of the works, as the case may be, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by the Act and this Ordinance, and to comply with and satisfy all covenants contained in this Ordinance.

SECTION 19. **Defeasance**. If, when the Bonds and any BANs or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds and any BANs or a portion thereof for redemption shall have been given, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such Bonds and any BANs or any portion thereof then outstanding shall be paid, or (i) sufficient monies or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient monies for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds and any BANs issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the works and all covenants of the City made for the benefit of the owners of such Bonds and any BANs so defeased from the lien created hereunder shall terminate and become void and shall no longer be of any force or effect.

SECTION 20. **Additional Obligations**. The City reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The City reserves the right to authorize and issue Future Parity Bonds for the purpose of financing the cost of future additions, extensions and improvements to the works, or to provide for a complete or partial refunding of obligations, subject to the following conditions precedent:

(a) The principal of and interest on all bonds payable from the revenues of the Sewage Works shall have been paid to date in accordance with their respective terms, and all required payments into the Sewage Works Debt Service Account, the Prior Series Reserve Accounts and the Reserve Account shall have been made in accordance with the provisions of this Ordinance.

(b) The Net Revenues in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds (provided, within the 90 day period following the end of such preceding fiscal year, if such year's account records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding year) shall be not less than one hundred twenty five percent (125%) of the annual principal and interest requirements of the then outstanding parity bonds (including the Bonds) and the Future Parity Bonds proposed to be issued for each respective year during the term of such outstanding parity bonds and the proposed Future Parity Bonds; or, prior to the issuance of the Future Parity Bonds, the rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations (provided, within the 90 day period following the end of such preceding fiscal year, if such year's account records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding year) would have produced Net Revenues for said year equal to not less than one hundred twenty five percent (125%) of the annual principal and interest requirements of the then outstanding parity bonds for each respective year during the term of such outstanding parity bonds and the proposed Future Parity Bonds. For purposes of this subsection, the records of the works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose.

(c) The principal of, or mandatory sinking fund redemption dates for, the Future Parity Bonds shall be payable annually on May 1, and the interest on the Future Parity Bonds shall be payable semiannually on May 1 and November 1 in the years in which such principal and interest are payable.

SECTION 21. Further Covenants of the City. For the purpose of further safeguarding the interests of the owners of the Bonds and any BANs, it is hereby specifically provided as follows:

(a) The City shall at all times maintain the works in good condition, and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds or BANs are outstanding, the City shall maintain insurance on the insurable parts of the works, of a kind and in an amount such as would normally be carried by private entities engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged, or if not used for that purpose, shall be treated and applied as Revenues of the Sinking Fund.

(c) So long as any of the Bonds and any BANs are outstanding, the City shall not mortgage, pledge or otherwise encumber the works, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said Utility.

(d) Except as otherwise specifically provided in Section 20 of this Ordinance, so long as any of the Bonds and any BANs are outstanding, no Future Parity Bonds or other obligations pledging any portion of the revenues of the works shall be issued by the City, except such as shall be made junior and subordinate in all respects to the Bonds, unless all of the Bonds are defeased, redeemed or retired coincidentally with the delivery of such Future Parity Bonds or other obligations.

(e) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewer. The City shall, insofar as possible, cause all such sanitary sewers to be connected with the Utility or otherwise cause an equivalent availability charged to be enforced against such property. Notwithstanding the foregoing to the contrary, the City shall not be required to enforce this subsection (f) so long as sufficient payments into the

Sinking Fund shall have been made to meet the monthly transfer requirements of Section 14, and the interest on and principal of all bonds payable from the revenues of the works shall have been paid to date in accordance with the terms thereof.

(f) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds and any BANs, all the terms of which shall be enforceable by any such owner by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds and any BANs and so long as any of the principal thereof or interest or premium, if any, thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of such owners, nor shall the Council or any other body of the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners. Except in the case of changes described in Section 22(a) through (f) hereof, this Ordinance may be amended, however, without the consent of bond owners, if the Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(g) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and any BANs for the uses and purposes herein set forth, and the owners of the Bonds and any BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and the Act. The provisions of this Ordinance shall also be construed to create a trust in the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of that Fund as set forth in this Ordinance. The owners of the Bonds and any BANs shall have all the rights, remedies and privileges set forth in the Act, including the right to have a receiver appointed to administer the Utility in the event the City shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said Utility and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Bonds or any BANs.

(h) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of the Bonds and any BANs and the operation of the Utility.

SECTION 22. **Amendments With Consent of Bondholders**. Subject to the terms and provisions contained in this section and Sections 20 and 23, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds and any BANs and then outstanding shall have the right, from time to time, to consent to and approve the adoption by the Council of such ordinance or ordinances supplemental hereto, as shall be deemed necessary or desirable by the City for the purpose of amending in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental Ordinance and provided that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any, on, or any mandatory sinking fund redemption date for, or an advancement of the earliest redemption date on, any Bond or BAN, without the consent of the holder of each Bond or BAN so affected; or

(b) A reduction in the principal amount of any Bond or BAN or the redemption premium or the rate of interest thereon, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond or BAN so affected; or

(c) The creation of a lien upon or a pledge of the Net Revenues ranking prior to the pledge thereof created by this Ordinance, without the consent of the holders of all Bonds then outstanding; or

(d) A preference or priority of any Bond or BAN over any other Bond or BAN, without the consent of the holders of all Bonds and any BANs then outstanding; or

(e) A reduction in the aggregate principal amount of the Bonds and any BANs required for consent to such supplemental ordinance, without the consent of the holders of all Bonds and any BANs then outstanding; or

(f) A reduction in the Reserve Requirement.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the Bonds and any BANs. The Registrar shall not, however, be subject to any liability to any owners of the Bonds and any BANs by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of the Bonds and any BANs of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the Bonds and any BANs then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the Bonds and any BANs, whether or not such owners shall have consented thereto.

No owner of any Bond or BAN 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 Council from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of the Bonds and any BANs then outstanding shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds and any BANs, and the terms and provisions of the Bonds and any BANs and this Ordinance, or any supplemental ordinance, may be modified or amended in any respect with the consent of the City and the consent of the owners of all the Bonds and any BANs then outstanding.

SECTION 23. **Amendments Without Consent of Bondholders**. The Council may, from time to time and at any time, and without notice to or consent of the owners of the Bonds and any BANs, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof):

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance;

(b) To grant to or confer upon the owners of the Bonds and any BANs any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds and any BANs;

(c) To procure a rating on the Bonds and any BANs from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the Bonds and any BANs;

(d) To obtain or maintain bond insurance with respect to the Bonds;

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

(f) To provide for the issuance of Future Parity Bonds or BANs as provided in Section 20 hereof; or

(g) To make any other change which, in the determination of the Council in its sole discretion, does not in any way adversely affect the rights of such owners of the Bonds and any BANs.

SECTION 24. **Tax Matters**. This section only applies to any series of Bonds or BANs issued on a tax-exempt basis for federal income tax purposes. In order to preserve the exclusion of interest on the Bonds and any BANs from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds and any BANs, the City represents, covenants and agrees that:

(a) No person or entity, other than the City or another state or local governmental unit, will use proceeds of the Bonds and any BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No portion of the principal of or interest on the Bonds and any BANs is (under the terms of the Bonds and any BANs, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No Bond or BAN proceeds will be loaned to any entity or person other than a state or local governmental unit. No Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The City will not take any action or fail to take any action with respect to the Bonds and any BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds and any BANs pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder as applicable to the Bonds and any BANs, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on Bond or BAN proceeds or other monies treated as Bond or BAN proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein, in trust for such purposes.

(e) The City will file an information report on Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(f) The City will not make any investment or do any other act or thing during the period that any Bond or BAN is outstanding hereunder which would cause any Bond or BAN to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as applicable to the Bonds and any BANs.

(g) It shall not be an event of default under this Ordinance if the interest on any Bonds or BANs 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 and any BANs, respectively.

These covenants are based solely on current law in effect and in existence on the date of delivery of the Bonds and any BANs, respectively.

Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds and any BANs from gross income under federal law (the "Tax Exemption") need not be complied with to the extent the City receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 25. **Additional Authority**. (a) The Executive and Fiscal Officer, and either of them, is hereby authorized and directed to do and perform all acts and execute in the name of the City all such instruments, documents, papers or certificates which are necessary, desirable or appropriate to carry out the transactions contemplated by this Ordinance in such forms as the Executive or Fiscal Officer executing the same shall deem proper, to be conclusively evidenced by the execution thereof. Any provision of this Ordinance authorizing the Executive or Fiscal Officer to act shall mean either of them, individually rather than collectively, is so authorized and any action taken and agreement or undertaking executed in the name of the City by them in further of the same shall be deemed a proper use of such authority and will be conclusively evidenced by their execution of any agreement or undertaking, or by their taking of any such authorized action.

(b) In the event the Executive and Fiscal Officer with the advice of the municipal advisor to the City certifies to the City that it would be economically advantageous for the City to obtain a municipal bond insurance policy for any of the Bonds issued hereunder, the City hereby authorizes the purchase of such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference between the present value cost of (a) the total debt service on the Bonds if issued without municipal bond insurance and (b) the total debt service on the Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. The City also authorizes the purchase of a debt service reserve surety bond based upon the advice of the City's municipal advisor for the Bonds. If such an insurance policy or surety bond is purchased, the Executive or Fiscal Officer are hereby authorized to execute and deliver all agreements with the provider of the policy or surety bond, as the case may be, to the extent necessary to comply with the terms of such insurance policy, surety bond and the commitments to issue such policy or surety bond, as the case may be.

SECTION 26. **Non-Business Days**. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the jurisdiction in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 27. **No Conflict**. The Council hereby finds and determines that the adoption of this Ordinance and the issuance of the Bonds and any BANs is in compliance with the Prior Bond Ordinances. All ordinances and resolutions and parts thereof in conflict, are to the extent of such conflict hereby repealed. None of the provisions of this Ordinance shall be construed to adversely affect the rights of the owners of the Prior Bonds.

SECTION 28. **Severability**. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 29. **Headings**. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

SECTION 30. **Interpretation**. Unless the context or laws clearly require otherwise, references herein to statutes or other laws include the same as modified, supplemented or superseded from time to time. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

SECTION 31. **Effectiveness**. This Ordinance shall be in full force and effect from and after its passage and signing by the Executive.

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PASSED by the Common Council of the City of Carmel, Indiana this ___ day of ______________, 2026, by a vote of ______ ayes and ______ nays.

COMMON COUNCIL FOR THE CITY OF CARMEL, INDIANA

______________________________	______________________________
Matthew Snyder, President	Ryan Locke, Vice-President
______________________________	______________________________
Teresa Ayers	Matt Snyder
______________________________	______________________________
Tony Green	Rich Taylor
______________________________	______________________________
Jeff Worrell	Adam Aasen
______________________________	______________________________
Anita Joshi	Shannon Minnaar

ATTEST:

____
Jacob Quinn, Clerk

Presented by me to the Mayor of the City of Carmel, Indiana this ____ day of __________________________ 2026, at _______ __.M.

____
Jacob Quinn, Clerk

Approved by me, Mayor of the City of Carmel, Indiana, this _____ day of _________________________ 2026, at _______ __.M.

____
Sue Finkam, Mayor

ATTEST:
____
Jacob Quinn, Clerk

Prepared by: Kimberly Blanchet
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, IN 46204

EXHIBIT A

Project
Wastewater Utility

The Project consists of (i) the design, acquisition, construction, installation and equipping of various improvements to the City's sewage works system, including without limitation the following related improvements: sewer lining, bio pasteurization heat exchanger, Keystone Way interceptor replacement, Carmel Drive and AAA Way sewer main replacement, Medical Drive sewer main replacement and related improvements, and (ii) repayment of the 2023 BAN.

Summary report: Litera Compare for Word 11.16.0.74 Document comparison done on 7/20/2026 2:01:26 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanage.com/dms/53331045/2 - Carmel Sewage Works 2026 -- Bond Ordinance Revised v.2.docx	
Modified DMS: iw://cloudimanage.com/dms/53331045/3 - Carmel Sewage Works 2026 -- Bond Ordinance Revised v.3.docx	
Changes:	
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~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	15