

STATE OF INDIANA

BEFORE THE BOARD OF CLARK COUNTY COMMISSIONERS

ORDINANCE NO. 7 – 2009

An Ordinance concerning the construction of certain Sewage Works additions, extensions, and improvements; the issuance of revenue bonds to provide the cost thereof; the collection, segregation, and distribution of the revenues of said works; the safeguarding of the interests of the owners of said revenue bonds; other matters connected therewith, including the issuance of notes in anticipation of bonds; and, repealing ordinances inconsistent herewith.

WHEREAS, Clark County, Indiana (hereinafter the "Political Subdivision") is desirous of facilitating the construction of certain Sewage Works to be connected to and operated by the Henryville Membership Sanitation Corporation (the "Utility"), an Indiana not-for-profit corporation, pursuant to the Agreement attached hereto as Exhibit A, pursuant to the laws of the State of Indiana as such are in effect on the issue date of the Loan Program Bonds and BANs authorized herein (the "Act"); and,

WHEREAS, this Board of Clark County Commissioners, as the legislative body of the Political Subdivision (the "Legislative Body"), hereby finds that certain additions, extensions and improvements to said Utility are necessary; that plans, specifications and estimates have been or will be prepared and filed by the engineers employed by the Political Subdivision for the construction of said improvements and extensions (the "Project," which is more fully set forth in summary fashion in Exhibit B to a Financial Assistance Agreement to be entered into with the Indiana Finance Authority (the "Finance Authority"), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the "State"), a form of which has been provided to the Political Subdivision and made a part of the record of the Legislative Body in connection with the consideration of this Ordinance and is incorporated herein by reference and open for inspection at the office of the clerk (the "Financial Assistance Agreement"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the clerk as required by law; and,

WHEREAS, the Political Subdivision will advertise for and receive bids for the construction of said Project or has advertised for and received such bids, the bids will be subject to the Political Subdivision's determination to construct said Project and subject to the Political Subdivision obtaining funds to pay for said Project; that on the basis of said engineer's estimates, the cost of said Project, including estimated incidental expenses, is in the estimated amount of \$3,154,300.00 (the "Estimated Project Amount"); and,

WHEREAS, the Political Subdivision has on-hand or other available funds and grants ("Available Funds") to pay the cost of the Project other than the portion of the Estimated Project Amount to be provided from the hereinafter described Loan Amount; and,

WHEREAS, pursuant to IC 13-18-13 if the Project is related to the Political Subdivision's sewer utility, and laws supplemental thereto, including IC 4-4-11 (the "SRF Act"), the Legislative Body finds that the Finance Authority will make funds available for application on the costs of the Project in the form of a forgivable loan from the Indiana SRF Program established thereunder (the "SRF Program") in the amount as set forth in the Financial Assistance Agreement (the "Loan Amount"), which loan will be evidenced by such issuance bond anticipation notes (the "BANs") to be issued in advance of revenue bonds (the "Loan Program Bonds") payable out of the Net Revenues (defined hereinafter as the gross revenues remaining after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the Political Subdivision's Utility, unless and until such BANs are forgiven as provided in the Financial Assistance Agreement; and,

WHEREAS, if (a) the Political Subdivision has outstanding bonds payable out of the Net Revenues (if any are outstanding, collectively, the "Outstanding Bonds"), (b) the ordinance(s), if any, authorizing any Outstanding Bonds (the "Existing Ordinance(s)") permit the issuance of additional bonds ranking on a parity with any Outstanding Bonds, and (c) the Political Subdivision determines such conditions can be met, then the Loan Program Bonds will be issued on a parity with any Outstanding Bonds, otherwise the Loan Program Bonds authorized herein shall be junior and subordinate to any Outstanding Bonds; and,

WHEREAS, the Political Subdivision desires to authorize the issuance of BANs, in one or more series, hereunder payable solely from the proceeds of any Loan Program Bond issued hereunder unless and until such BANs are forgiven as provided in the Financial Assistance Agreement; and,

WHEREAS, the Legislative Body now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said BANs and Loan Program Bonds have been complied with in accordance with the provisions of the Act and the SRF Act.

NOW, THEREFORE, BE IT ORDAINED BY THIS BOARD OF CLARK COUNTY COMMISSIONERS, AS THE LEGISLATIVE BODY FOR CLARK COUNTY, INDIANA, THAT:

Section 1. Authorization of Project. The Political Subdivision proceed with the construction of the Project in accordance with the plans and specifications heretofore prepared or to be prepared and filed by consulting engineers employed by the Political Subdivision, which plans and specifications are now on file or will be subsequently placed on file in the office of the clerk or fiscal officer of the Political Subdivision (the "Fiscal Officer"), and are hereby adopted and approved, and by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein. Two copies of the final plans and specifications and the cost estimates will be placed on file in the office of the Fiscal Officer of the Political Subdivision and be open for public inspection pursuant to IC 36-1-5-4. The Estimated Project Amount is expected to be funded from the Available Funds and the Loan Amount. The terms "Utility," "Utility system," "works," "system," and words of like import where used in this ordinance shall be construed to mean and include the existing Utility 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, including all other like items as defined by the Act. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project is hereby approved. Said Project shall be constructed and the Loan Program Bonds herein authorized shall be issued pursuant to and in accordance with the Act and the SRF Act.

Section 2. Issuance of Loan Program Bonds and BANs.

(a) The Political Subdivision shall issue its Utility revenue bonds ("Loan Program Bonds"), in an aggregate principal amount not to exceed the Loan Amount for the purpose of procuring funds to apply on a portion of the cost of said Project to pay issuance costs.

The Loan Program Bonds shall be issued and sold at a price of the par value thereof, shall be issued in fully registered form in denominations of \$1 or integral multiples thereof, numbered consecutively from 1 up, dated as of the date of delivery, and shall bear interest at a rate or rates not exceeding five percent (5%) per annum to be set forth in the Financial Assistance Agreement (the exact rate or rates to be determined by negotiation with the Finance Authority). Interest, if any, is payable on the same interest payment dates applicable to any Outstanding Bonds and if none are outstanding as of the issuance of the Loan Program Bonds on January and July 1st in each year, commencing on first such date following their issuance (the "Interest Payment Date(s)"). Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Loan Program Bonds shall mature and be payable on the same principal payment dates applicable to any Outstanding Bonds and if none are outstanding as of the issuance of the Loan Program Bonds on January 1st in each year, commencing on the second such date following their issuance (the "Principal Payment Dates") or such other date or dates required by the terms of the Financial Assistance Agreement, over a period not to exceed 20 years after substantial completion of the Project (as determined under the Financial Assistance Agreement if sold to the Authority as part of its SRF Program), and in such amounts that will allow the Political Subdivision to meet the coverage and/or amortization requirements of the SRF Program. If the Loan Program Bonds are sold to the Authority as part of its SRF Program, such debt service schedule shall be finalized and set forth in the Financial Assistance Agreement. For any Loan Program Bonds not sold to the Authority as part of its SRF Program, such Loan Program Bonds

may mature in amounts that produce as level debt service as practicable with \$5,000 denominations and taking into account the annual debt service on all series of Loan Program Bonds issued hereunder and the annual debt service on any Outstanding Bonds.

Any interest on the Loan Program Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

(b) The Fiscal Officer is authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Loan Program Bonds, which Registrar is hereby charged with the responsibility of authenticating the Loan Program Bonds ("Registrar" or "Paying Agent"). The Fiscal Officer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent and/or any agreement to hold all or any part of the Sinking Fund and/or the Construction Fund; provided that if the Bonds are registered in the name of the Finance Authority then the Finance Authority shall approve such institution and agreement. The Fiscal Officer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Utility Sinking Fund ("Sinking Fund") established to pay the principal of and interest on the Loan Program Bonds and fiscal agency charges.

(c) As to the Loan Program Bonds, if registered in the name of the Finance Authority (and consented to by the Finance Authority by its acceptance thereof) or any other purchaser that does not object to such designation, the Fiscal Officer may serve as Registrar and Paying Agent and in such circumstances the Fiscal Officer would be hereby charged with the duties of a Registrar and Paying Agent.

(d) While any Loan Program Bonds which are registered in the name of the Finance Authority, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Finance Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Finance Authority is the owner of any Loan Program Bonds, such Bonds shall be presented for payment as directed by the Finance Authority.

For any Loan Program Bonds not then registered in the name of the Finance Authority or if wire transfer payment is not required, the principal of the Loan Program Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Loan Program Bonds shall be paid by check mailed one business day prior to the Interest Payment Date to the registered owners thereof, as of (i) the fifteenth day of the month preceding each payment if the Interest Payment Date(s) are the first day of month and (ii) the fifteenth day of the month containing each payment if the Interest Payment Date(s) are the first day of month ("Record Date"), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire

transfer payments by 1:00 p.m. (Indianapolis time) so such payments are received at the depository by 2:30 p.m. (Indianapolis time).

All payments on the Loan Program Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

(e) Each Loan Program Bond shall be transferable or exchangeable only upon the books of the Political Subdivision kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Political Subdivision. The Political Subdivision and the Registrar and Paying Agent for the Loan Program Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

(f) Interest on Loan Program Bonds sold to the Finance Authority shall be paid from the date which specified in the Financial Assistance Agreement and the Loan Program Bonds delivered. Interest on any other Loan Program Bonds authenticated subsequent to the Record Date which precedes the first Interest Payment Date thereon shall be paid from the Interest Payment Date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Loan Program Bond is authenticated between the Record Date and the Interest Payment Date in which case the interest shall be paid from such Interest Payment Date.

(g) The Political Subdivision agrees to secure such additional funds (whether through additional grants or loans or otherwise) and to authorize and issue such additional revenue bonds as are necessary to cause the Project to be completed.

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

(including any modification made pursuant to the authorization in this paragraph to the form of Loan Program Bond otherwise contained herein).

Section 2A. Bond Anticipation Notes.

(a) The Political Subdivision shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply to the cost of the Project. Except as not customarily applicable to BANs, any BANs shall be issued in a manner consistent and be subject to the terms herein provided related to the Loan Program Bonds. Any BANs issued hereunder shall be subject to renewal or extension. 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 be registered in the name of the purchasers thereof. If any such BANs are issued on a taxable basis, the designated name may include the term "Taxable" as the first word in the designated name.

(b) BANs shall be issued pursuant to the SRF Act if sold to the Finance Authority, or pursuant to IC 5-1-14-5 if sold to a financial institution. The principal of and interest on the BANs shall be payable solely from the issuance of the Loan Program Bonds, issued as revenue bonds pursuant to and in the manner prescribed by the Act and this Ordinance. The Loan Program Bonds will be payable solely out of and constitute a charge against the Net Revenues as provided for herein. The BANs shall not constitute a charge against the Net Revenues of the Utility, however, may be paid from any legal available funds including Net Revenues of the Utility. The Political Subdivision, having satisfied all the statutory requirements for the issuance of its Loan Program Bonds, may elect to issue its BAN or BANs pursuant to a Bond Anticipation Note Purchase Agreement ("Bond Anticipation Note Agreement") to be entered into between the Political Subdivision and the purchaser of the BAN or BANs. If the BANs are sold to the Finance Authority as part of its SRF Program, the Financial Assistance Agreement shall serve as the Bond Anticipation Note Agreement. The Legislative Body hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing the Loan Program Bonds to provide interim financing for the Project unless and until permanent financing becomes necessary and is available. It shall not be necessary for the Political Subdivision to repeat the procedures for the issuance of its Loan Program Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Loan Program Bonds and the use of the proceeds to repay the BAN or BANs.

Section 3. Redemption of Loan Program and BANs.

(a) The BANs are prepayable by the Political Subdivision, in whole or in part, at any time upon seven (7) days' notice to the owner of the BANs without any premium.

(b) For any Loan Program Bonds sold to the Authority as part of its SRF Program, such Loan Program Bonds are redeemable at the option of the Political Subdivision, but no sooner than ten years after their date of delivery, and thereafter on any date, on sixty (60) days' notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the date fixed for redemption.

(c) Notice of redemption shall be given not less than sixty (60) days prior to the date fixed for redemption for Loan Program Bonds, unless such redemption notice is waived by the owner of the Loan Program Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the Political Subdivision as of the date which is sixty-five (65) days prior to such redemption date for Loan Program Bonds. The notice shall specify the date and place of redemption and sufficient identification of the Loan Program Bonds called for redemption. The place of redemption may be determined by the Finance Authority unless they are not registered in its name as of the date of such notice of redemption, then by the Political Subdivision. Interest on the Loan Program 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.

Section 4. Execution of Loan Program Bonds; Pledge of Net Revenues to Loan Program Bonds. The Loan Program Bonds shall be signed in the name of the Political Subdivision by official(s) required by the Act or if there is no such required official under the Act, then by the manual or facsimile signature of the chief executive official of the Political Subdivision (the "Executive Officer") and attested by the manual or facsimile signature of the Fiscal Officer, who shall affix the seal, if existing, of said Political Subdivision to each of said Loan Program Bonds manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, may adopt as and for their own proper signatures their facsimile signatures appearing on said Loan Program Bonds. The Loan Program Bonds must be authenticated by an authorized officer of the Registrar.

The Loan Program Bonds, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of the Net Revenues of the Utility of the Political Subdivision, subject to Section 12 herein. The Political Subdivision shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the Political Subdivision within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 5. Form of Bonds. The form and tenor of the Loan Program Bonds shall be substantially as set forth below, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

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UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF CLARK

CLARK COUNTY, INDIANA
SEWAGE WORKS REVENUE BOND OF 2009

Interest Rate

Original Date

Authentication Date

Registered Owner: Indiana Finance Authority

Principal Sum: \$ _____

Clark County, Indiana (the "Political Subdivision"), in Clark County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, or its assigns on _____ in the years and in the amounts as set forth in Exhibit 1 attached hereto (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from the Original Date set forth above, which interest is payable on the _____ day of _____ of each year, beginning on _____. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of this Bond is payable at the principal office of _____ ("Registrar" or "Paying Agent"), located in _____, Indiana. All payments of principal of and interest, if any, on this Bond shall be paid by wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority on the due date, or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof, as of the [fifteenth day of the month preceding][first day of the month containing] such payment, at the address as it appears on the registration books kept by the Registrar or Paying Agent, at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the Political Subdivision within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Political Subdivision shall not be obligated to pay this Bond or any interest hereon except from the special fund provided from the Net Revenues.

This Bond is one of an authorized issue of Bonds of the Political Subdivision, of like tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total amount of \$ _____ (“Bonds”), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of additions, extensions and improvements to the Political Subdivision's Utility, and to pay incidental expenses, as authorized by an Ordinance adopted by the legislative body of the Political Subdivision on the _____ day of December, 2009, entitled "An Ordinance concerning the construction of certain Sewage Works additions, extensions, and improvements; the issuance of revenue bonds to provide the cost thereof; the collection, segregation, and distribution of the revenues of said works; the safeguarding of the interests of the owners of said revenue bonds; other matters connected therewith, including the issuance of notes in anticipation of bonds; and, repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with the provisions of the Act and the SRF Act (each as defined in the Ordinance and as in effect on the issue date of the Bonds).

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue are payable solely from the Utility Sinking Fund (described by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues of the Utility of the Political Subdivision after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the Utility of the Political Subdivision and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The Bonds of this issue may be junior and subordinate to any Outstanding Bonds (as defined in the Ordinance) subject to Section 12 of the herein defined Ordinance.

The Political Subdivision irrevocably pledges, subject to the prior payment of any Outstanding Bonds as and to the extent, if any, provided in Section 12 of the Ordinance, the Net Revenues of said Utility to the prompt payment of the principal of and interest, if any, on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be established and maintained just and equitable rates and charges for the use of and the service rendered by the Utility, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Utility, or that in any way uses or is served by the Utility, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Political Subdivision) to provide for the proper Operation and

Maintenance (as defined in the Financial Assistance Agreement) of the Utility, to comply with and satisfy all covenants contained in the Ordinance and in the Financial Assistance Agreement and to pay all obligations of the Utility and of the Political Subdivision with respect to the Utility. Such rates and charges will, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the Utility and the requirements of the Sinking Fund. If the Political Subdivision or the proper officers of the Political Subdivision shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of any interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest, if any, hereon.

The Political Subdivision further covenants that it will set aside and pay into its Utility Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the Net Revenues of the works for payment of (a) any interest on all bonds which by their terms are payable from the revenues of the Utility, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the Bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the Utility, as such principal shall fall due, and (d) an additional amount as a margin of safety to create and maintain the debt service reserve required by the Ordinance. Such required payments shall constitute a charge upon the Net Revenues of the Utility, subject to any aforementioned Outstanding Bonds as and to the extent, if any, provided in Section 12 of the Ordinance. This Bond may be junior to the payment of the principal of and interest on any Outstanding Bonds.

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

_____% if redeemed on _____, or thereafter on or before _____;

_____% if redeemed on _____, or thereafter on or before _____;

_____% if redeemed on _____, or thereafter prior to maturity; plus in each case accrued interest to the date fixed for redemption.

If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar.

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the Political Subdivision, as of the date which is sixty-five (65) days prior to such redemption date, not less than sixty (60) days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Political Subdivision. Interest, if any, on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

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

This Bond is transferable or exchangeable only upon the books of the Political Subdivision kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Political Subdivision, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest, if any, due hereon.

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

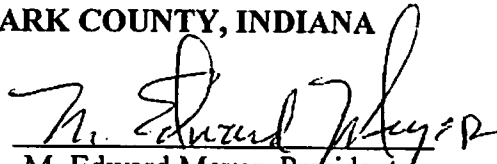
It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

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 Political Subdivision has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Executive Officer as provided the herein named Ordinance, its corporate seal (if existing and available) to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Fiscal Officer.

For the "Political Subdivision":

CLARK COUNTY, INDIANA

By: 
M. Edward Meyer, President,
Board of Clark County
Commissioners

[SEAL]

Attested by:


Keith Groth, Clark County Auditor

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

As Registrar

By: _____
Authorized Representative

ASSIGNMENT

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

Dated: _____

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

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

EXHIBIT A
Principal Payment Schedule

<u>Date</u>	<u>Principal Amount</u>
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[End of form of bond]

Section 6. Preparation and Sale of Bonds. The Fiscal Officer is hereby authorized and directed to have the Loan Program Bonds prepared, and to cause said Bonds to be executed in the form and manner herein provided. The Fiscal Officer is hereby authorized and directed to sell and deliver said Bonds to the Finance Authority in accordance with the provisions of this ordinance and the Financial Assistance Agreement, provided that following said delivery the Fiscal Officer may collect the funds in installments. The Loan Program Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Political Subdivision, payable out of the Net Revenues of the Political Subdivision's Utility to be set aside into the Sinking Fund as herein provided. The proceeds derived from the sale of the Loan Program Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, and the expenses necessarily incurred in connection with the Loan Program Bonds. The proper officers of the Political Subdivision are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

Section 7. Use of Proceeds. The proceeds from the sale of the Loan Program Bonds together with the Available Funds, shall be deposited in a bank or banks which are legally designated depositories for the funds of the Political Subdivision, in a special account or accounts to be designated as the "Utility Construction Account" ("Construction Account"). All funds deposited to the credit of the Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly the SRF Act and IC 5-13, and the acts amendatory thereof and supplemental thereto. The funds in the

Construction Account shall be expended only for the purpose of paying the cost of the Project as provided by the Financial Assistance Agreement, or as otherwise required by the Act or for the expenses of issuance of the Loan Program Bonds.

Subject to the Financial Assistance Agreement, any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of said Sinking Fund or (2) be used for the same purpose or type of project for which the Loan Program Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

If any Loan Program Bonds are sold to the Finance Authority as part of its SRF Program, to the extent (a) that the total principal amount of the Loan Program Bonds is not paid by the purchaser or drawn down by the Political Subdivision or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Indiana Department of Environmental Management and the Finance Authority), the Political Subdivision shall reduce the principal amount of the Loan Program Bond maturities to effect such reduction in amounts which will still achieve the annual debt service as described in Section 2 subject to and upon the terms forth in the Financial Assistance Agreement.

Section 8. Revenues. All revenues derived from the operation of the Utility and from the collection of Utility rates and charges, shall be deposited in the Revenue Fund, hereby created or continued, as the case may be, and segregated and deposited as set forth in this ordinance. From these revenues, the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars or paying agents shall be paid, the hereinafter described Reserve Account shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid.

Section 9. Operation and Maintenance Fund. The Operation and Maintenance Fund is hereby created or continued, as the case may be. There shall be transferred from the Revenue Fund and credited to the Operation and Maintenance Fund on the last day of each calendar month a sufficient amount of the revenues of the Utility so that the balance in this Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to this Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Utility on a day-to-day basis. Any monies in said Fund may be transferred to the Utility Sinking Fund if necessary to prevent a default in the payment of principal of or interest on any Outstanding Bonds of the Utility.

Section 10. Utility Sinking Fund.

(a) There is hereby created or continued, as the case may be, a sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Utility and the payment of any fiscal agency charges in connection with the payment of bonds and interest (herein, "Utility Sinking Fund" or "Sinking Fund"). There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter

provided, a sufficient amount of the Net Revenues of the Utility to meet the requirements of the Bond and Interest Account and the Reserve Account hereby created or continued in the Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Reserve Account hereinafter described, equals the principal of and interest on all of the then outstanding bonds of the Utility to their final maturity.

(b) Bond and Interest Account. There is hereby created or continued, as the case may be, within said Sinking Fund, the Bond and Interest Account. There shall be transferred on the last day of each calendar month from the Revenue Fund and credited to the Bond and Interest Account an amount of the Net Revenues equal to at least at least (i) one-sixth (1/6) of the interest on all then outstanding bonds payable from the Net Revenues on the then next succeeding Interest Payment Date (or one-twelfth (1/12) of the interest of all then outstanding bonds payable from the Net Revenues on the then next succeeding Interest Payment Date if interest is paid annually on any Outstanding Bonds) until the amount so credited shall equal the interest payable during the next succeeding twelve (12) calendar months and (ii) one-twelfth (1/12) of the principal of all then outstanding bonds payable from the Net Revenues on the then next succeeding Principal Payment Date if principal is paid annually (or one-sixth (1/6) of the principal of all then outstanding bonds payable from the Net Revenues on the then next succeeding Principal Payment Date if principal is paid semi-annually on any Outstanding Bonds) until the amount so credited shall equal the principal payable during the next succeeding twelve (12) calendar months. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on outstanding bonds as the same become payable. The Political Subdivision shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. There is hereby created or continued, as the case may be, within the Sinking Fund, the Reserve Account. Beginning with the first month after the date of delivery of the Loan Program Bonds, a sum of Net Revenues of the Utility shall be deposited into the Reserve Account on the last day of each calendar month until the balance in the Reserve Account equals but does not exceed, maximum annual debt service on the Loan Program Bonds and any other parity bonds of the Political Subdivision payable from the Net Revenues of the Utility that may be hereafter issued ("Reserve Requirement"). The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five years of the date of delivery of the Loan Program Bonds or such less period required by the Financial Assistance Agreement. The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Loan Program Bonds and any Parity Bonds, provided that the Reserve Requirement is increased proportionately, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Loan Program Bonds and any Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Improvement Fund or be used for the redemption or purchase of outstanding bonds or installments of principal of fully registered bonds.

Section 11. Utility Improvement Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues may be transferred or credited to a fund designated the Utility Improvement Fund, hereby created or continued, as the case may be, and said Fund shall be used for any pledged payments of principal or interest on the Loan Program Bonds and improvements, replacement, additions and extensions of the Utility. Moneys in the Utility Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the Utility. No moneys derived from the revenues of the Utility shall be transferred to the general fund of the Political Subdivision or be used for any purpose not connected with the Utility.

Section 12. Nature of Loan Program Bonds. In the event conditions for the issuance of revenue bonds of the Utility on a parity with any Outstanding Bonds, if any, set forth in the Existing Ordinance(s) are not met as of the date of the issuance of the Loan Program Bonds, then the Loan Program Bonds will in all respects be junior and subordinate to the rights of the holders of any Outstanding Bonds under said Existing Ordinance(s).

Section 13. Maintenance of Accounts; Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Political Subdivision. The Operation and Maintenance Fund and the Utility Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the Political Subdivision and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly the SRF Act and IC 5-13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance. Nothing in this section or elsewhere in this ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts created or continued by this ordinance other than the Sinking Fund which shall be maintained as a separate account from other accounts.

Section 14. Maintenance of Books and Records. The Political Subdivision shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. Copies of all such statements and reports shall be kept on file in the office of the Fiscal Officer.

The Political Subdivision shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Utility in accordance with (i) generally accepted governmental accounting

standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 15. Rate Covenant. The Political Subdivision covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the Utility, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Utility, or that in any way uses or is served by the Utility, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Political Subdivision) to provide for the proper Operation and Maintenance (as defined in the Financial Assistance Agreement) of the Utility, to comply with and satisfy all covenants contained in this ordinance and in the Financial Assistance Agreement and to pay all obligations of the Utility and of the Political Subdivision with respect to the Utility. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the Utility and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of such works by and service rendered to the Political Subdivision, and shall be paid by the Political Subdivision as the charges accrue.

Section 16. Additional Bond Provisions. The Political Subdivision reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Utility, ranking on a parity with the Loan Program Bonds, for the purpose of financing the cost of future additions, extensions and improvements to the Utility, or to refund obligations, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the Net Revenues of the Utility shall have been paid in accordance with the terms thereof, and all required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance. The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 10(c) of this ordinance.

(b) The Net Revenues of the Utility in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Loan Program Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the Utility rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the Utility, including the additional parity bonds proposed to be issued.

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

(c) The principal of, or mandatory sinking fund redemption dates for, the additional parity bonds shall be payable on the Principal Payment Dates and interest on the additional parity bonds shall be payable on the Interest Payment Dates.

(d) If the Loan Program Bonds are sold to the Finance Authority as part of its SRF Program, (i) the Political Subdivision obtains the consent of the Finance Authority, (ii) the Political Subdivision has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this ordinance, and (iii) the Political Subdivision is in compliance with its regulated permits applicable to the Utility, except for non-compliance for which purpose the Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 17. Further Covenants. For the purpose of further safeguarding the interests of the owners of the Loan Program Bonds, it is hereby specifically provided as follows:

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

(b) The Project shall be constructed under plans and specifications approved by a competent engineer designated by the Political Subdivision. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Political Subdivision.

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

(d) So long as any of the Loan Program Bonds or BANs are outstanding, the Political Subdivision shall acquire and maintain insurance coverage on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business, and so long as any of the BAN or Loan Program Bonds are owed by the Finance Authority as a part of its SRF Program, such insurance shall be acceptable to the Finance Authority. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

Insurance proceeds and condemnation awards shall be used either in replacing or repairing the Utility, unless the Finance Authority shall consent to a different use of such proceeds or awards if any BANs or Loan Program Bonds are owned by the Finance Authority as part of its SRF Program.

(e) So long as any of the Loan Program Bonds or BANs are outstanding, the Political Subdivision shall not mortgage, pledge or otherwise encumber its Utility system, or any portion thereof, nor shall it sell, lease or otherwise dispose of any part of the same, or any portion thereof, excepting only such machinery, equipment or other property as may be replaced, or shall no longer necessary for use in connection with said utility, provided, however, if any Loan Program Bonds or BANs are owned by the Finance Authority as part of its SRF Program, the Political Subdivision shall obtain the prior written consent of the Finance Authority.

(f) If the Loan Program Bonds or BANs are owned by the Finance Authority through its SRF Program, the Political Subdivision shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Utility, nor shall it sell, lease or otherwise dispose of any part of the same, other than for normal operating expenditures, without the prior written consent of the Finance Authority if such undertaking would involve, commit or use the revenues of the Utility.

(g) Except as otherwise specifically provided in Section 16 of this ordinance, so long as any of the Loan Program Bonds are outstanding, no additional Loan Program Bonds or other obligations pledging any portion of the revenues of the Utility shall be authorized, issued or executed by the Political Subdivision, except such as shall be made junior and subordinate in all respects to the Loan Program Bonds, unless all of the Loan Program Bonds are redeemed or defeased coincidentally with the delivery of such additional Loan Program Bonds or other obligations.

(h) If the Loan Program Bonds are payable from its sewer utility, the Political Subdivision 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 sewers and the Political Subdivision shall, insofar as possible, cause all such sanitary sewers to be connected and remain connected with said Utility.

(i) The provisions of this ordinance shall constitute a contract by and between the Political Subdivision and the owners of the Loan Program Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of said Bonds, this ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights of the owners of said Bonds nor shall the Legislative Body or any other body of the Political Subdivision adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds or the interest thereon remain outstanding or unpaid. Except in the case of changes set forth in Section 19(a)-(e), this ordinance may be amended, however, without the consent of Bond owners, if the Legislative Body determines, in its sole discretion, that such amendment would not adversely affect the owners of the Loan Program Bonds; provided, however, that if the Loan Program Bonds are then registered in the name of the Finance Authority, the Political Subdivision shall obtain the prior written consent of the Finance Authority.

(j) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Loan Program Bonds herein authorized for the uses and purposes

herein set forth, and the owners of the Loan Program Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund or the Improvement Fund for the uses and purposes of said funds as in this ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer said Utility in the event of default in the payment of the principal of or interest on any of the Loan Program Bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

Section 18. Investment of Funds. The Fiscal Officer is hereby authorized pursuant to IC 5-1-14-3 to invest moneys pursuant to the provisions of this ordinance. The Fiscal Officer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein.

Section 19. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 17(h), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Loan Program Bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Political Subdivision of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Political Subdivision for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that if the Loan Program Bonds are then registered in the name of the Finance Authority, the Political Subdivision shall obtain the prior written consent of the Finance Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this ordinance; or

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

(c) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or

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

(e) A reduction in the Reserve Requirement unless the Political Subdivision is directed to do so by the Finance Authority;

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

Section 20. Authorization of Financial Assistance Agreement.

(a) The Political Subdivision, having satisfied all the statutory requirements for the issuance of its bonds, may issue its Loan Program Bonds to evidence a loan from the Finance Authority pursuant to a Financial Assistance Agreement between the Political Subdivision and the Finance Authority. A substantially final form of the Financial Assistance Agreement has been provided to the Political Subdivision and made a part of the record of the Legislative Body in connection with the consideration of this Ordinance and is incorporated herein by reference and open for inspection at the office of the Fiscal Clerk.

(b) The Executive Officer is hereby authorized and directed to execute the Financial Assistance Agreement (and any amendments made from time to time) in such form or substance as such officer shall approve acting upon the advice of counsel. The Executive Officer and the Fiscal Officer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the Loan Program Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 21. Rate Ordinance. The estimates of the rates and charges of the Utility are set forth in the records of the Utility and are incorporated herein by reference.

Section 22. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this ordinance shall not be construed as modifying, amending or repealing the Existing Ordinance(s), if any, or as adversely affecting the rights of the holders of the aforementioned Outstanding Bonds, if any. In the event there is an Existing Ordinance which requires funds of the Utility to be deposited, held or applied in

different accounts (or a different manner) than is specified by Sections 9 through 11 herein, or would require the Loan Program Bonds to payable as to either principal or interest, or both, on different dates than herein specified, in order for the Loan Program Bonds to otherwise be deemed valid revenue bond obligations of the Utility in accordance with the intent of this ordinance, then this ordinance (and such terms of the Loan Program Bonds) shall be deemed amended and restated in manner that would preserve the intention of the parties to have the Loan Programs Bonds to valid and binding obligations of the Political Subdivision and result in terms as consistent herewith as reasonably practical. In the event the Political Subdivision is only empowered to adopt resolutions and not ordinances, then each usage of the words ordinance and ordained herein shall be read as resolution and resolved, respectively.

Section 23. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

Passed and adopted by this Board of Clark County Commissioners, as the legislative body of the Political Subdivision, on the 22 day of December, 2009.

For the "Political Subdivision":

**BOARD OF COMMISSIONERS OF
CLARK COUNTY, INDIANA**

By: M. Edward Meyer
M. Edward Meyer, Presiding Officer

By: Mike Moore
Mike Moore, Commissioner

By: Les Young
Les Young, Commissioner

Attested by:

Keith Groth
Keith Groth, Clark County Auditor

EXHIBIT A

**FORM OF AGREEMENT FOR THE CONSTRUCTION, OPERATION,
AND CONDITIONAL TRANSFER OF THE PROJECT FACILITIES**

AGREEMENT

This Agreement is executed and made effective as of this _____ day of _____, 2010, by and between the following:

Clark County, Indiana, by and on behalf of the Board of Clark County Commissioners (the "County"), with an address of Clark County Government Building, Room 404, 501 East Court Avenue, Jeffersonville, Indiana 47130; and,

Henryville Membership Sanitation Corporation, an Indiana not-for-profit corporation (the "Utility"), with an address of 104 East Main Street, Henryville, Indiana 47126.

It is agreed between the County and the Utility as follows:

1. Preliminary Statement Regarding Purpose of Agreement. The Utility owns and operates a sanitary sewer collection and treatment system pursuant to permits granted by the Indiana Department of Environmental Management ("IDEM"), and the Indiana Utility Regulatory Commission (the "IURC"). The Utility has negotiated proposed extensions of service to (i) the Henryville Rest Area facilities on Interstate 65 with the Indiana Department of Transportation ("INDOT"), and (ii) the Henryville Correctional Facility with the Indiana Department of Corrections (the "DOC") (collectively hereinafter referred to as the "Project", and defined more particularly in Section 2 below).

The Utility has identified an opportunity to obtain funding for the project from the Indiana State Revolving Fund ("SRF") pursuant to IC 13-18-13 and laws supplemental thereto, including IC 4-4-11 (the "SRF Act"). The funding would be accomplished by the issuance of bond anticipation notes ("BANs"), with the loan amount being fully forgiven by conversion to a grant upon completion of construction of the improvements by utilization of funds made available to SRF by the federal stimulus program as set forth in the Financial Assistance Agreement with SRF. However, the Utility is not an eligible entity for purposes of applying for or receiving such funding. The County is an eligible entity for such purposes, and this Agreement is made for purposes of commemorating the terms and conditions on which the County and the Utility agree to work

cooperatively to secure SRF funding, construct the Project, and operate the Project.

2. Project Defined. The Project shall consist of:

A. *The Henryville Rest Area Extension.* INDOT desires to connect the sanitary sewers at the Henryville rest areas on I-65 to the Utility sanitary sewers and abandon the existing sewage treatment plant at the northbound rest area. A preliminary design of the extension has been prepared by engineers hired by the Utility. The preliminary design proposes a force main from the rest area running northeast to US 31. The force main will run cross country through an existing powerline easement. The Utility has coordinated the pipe route with the electric company. From the connection at US 31, it is proposed to construct gravity sewer along the east side of US 31 south to Henryville. An examination of the grade indicates it is possible to install gravity sewers instead of force main throughout. Inverted siphons may be necessary at the stream crossings or the sewer may be set deep enough to avoid or minimize the use of the siphons. The sewer will installed using conventional trench construction except for pavement and stream crossings. These crossings will be directional bored. If there are significant utility conflicts, additional directional boring will be used. The force mains and the gravity mains have been sized large enough to include several other potential customers.

B. *The Henryville Correctional Facility Extension.* DOC desires to connect the sanitary sewers at the Henryville Correctional Facility to the Utility sanitary sewers and abandon the existing sewage treatment plant. A preliminary design for this extension has also been prepared by engineers hired by the Utility. The preliminary design proposes a force main from the facility running southeasterly to US 31 to the proposed Henryville Rest Area sewer extension. The force main was designed for the facility and the connection of the existing Indiana Department of Natural Resources office. The force main will run parallel to Schlamm Lake Road on State Forestry property. A manmade lake with an earth dam lies along the route. The force main will be directionally bored downstream of the dam to avoid any construction complications or potential damage to the dam. Coordination will be made with IDNR concerning this construction. If the force main can safely be constructed within the dam, then it will be. Once past the lake, the pipe will be a gravity sewer. The pipe will have to be jacked under I-65 with a steel casing and cast iron pipe.

3. County to Apply for SRF Funding. Prior to December 31, 2009, the County shall adopt a Bond Ordinance on terms and conditions recommended by the Utility's financial advisor and legal counsel in a manner that is intended to receive favorable treatment by the SRF and result in a Financial Assistance

Agreement that will fully fund the construction of the Project, and which will include forgiveness of the BANs upon completion of the Project.

4. County to Solicit Bids for Construction of the Project. The Utility's engineer shall provide a bid package to the County that would enable the solicitation of bids to construct the Project in one or more phases in a manner consistent with the requirements of applicable Indiana law for the bidding and construction of public works projects. The County shall advertise for and receive, and award bids for the construction of the Project in the manner required by applicable Indiana law. Subject to receipt and closing of a Financial Assistance Agreement with SRF deemed reasonably acceptable to the County and the Utility, the County shall select the bidder that is deemed the most responsive and responsible to the requirements of the bid for construction of the Project after first receiving the advice and recommendation of the Utility and its engineer.

5. County Ownership of the Project. The County shall be the owner of all facilities constructed within the Project. Notwithstanding the provisions of the foregoing sentence, however, the County acknowledges that the Utility has expressed interest in converting its system to a form of public ownership (either as an incorporated town or as a regional sewer district), and in the event of such subsequent transfer of the Utility to a form of public ownership, the County unconditionally agrees to transfer all of the facilities within the Project to the Utility's successor entity, provided that such successor entity assumes all remaining financial and other performance obligations that the County may have undertaken in the Financial Assistance Agreement with SRF. The County and the Utility agree to work cooperatively to determine if the existing Clark County Regional Water and Sewer District created by order issued by IDEM might provide a suitable public ownership entity for such purposes.

6. Utility Operation and Maintenance of the Project. During the period that the facilities in the Project are owned by the County and/or that the Financial Assistance Agreement remains in effect, the Utility agrees to operate, maintain, repair, and replace the facilities within the Project in accordance with the same standard and scope that it operates and maintains its existing facilities solely at the expense of the Utility, including without limitation, payment to SRF or its designee of any amounts due or becoming due under the Financial Assistance Agreement. The Utility represents and warrants that it shall take all actions reasonably necessary for the County to be able to fully comply with the obligations assigned to it under the Financial Assistance Agreement without expense to the County, including without limitation, increasing rates as necessary for the Utility to be able to make payment of any and all amounts due or becoming due from the County under the terms of the Financial Assistance Agreement.

7. Indemnification by the Utility. In order to induce the County to adopt a bond ordinance in effort to obtain a mutually acceptable Financial Assistance Agreement from SRF, the Utility agrees to indemnify, defend, and hold harmless the County from (a) any obligation undertaken by the County on behalf or for the benefit of the Utility in the bond ordinance or the Financial Assistance Agreement, (b) the obligation to pay any amounts due or becoming due under the Financial Assistance Agreement, (c) any claims for payment of amounts in excess of the funds made available by SRF for the construction of the Project, (d) the performance of any operation, maintenance, repair, or replacement obligation with respect to any portion of the Project in a manner consistent with generally accepted wastewater utility standards and as necessary to maintain service to all customers receiving service by or through the Project facilities, and (e) the claims of any third parties for damages to persons or properties arising from the construction, operation, or maintenance of the Project facilities pursuant to this Agreement.

8. Authority to Contract. The parties hereto represent that: (i) the parties are authorized to enter into this Agreement, (ii) the execution of this Agreement is not prohibited by the organizational documents or Indiana statutes governing any party to this Agreement, (iii) this Agreement is a valid and binding contract between the parties hereto, enforceable according to its terms, and (iv) the execution of this Agreement does not conflict with or violate the terms of any other agreement to which any party hereto is subject.

9. Relationship of the Parties. Nothing herein contained shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture between the parties hereto.

10. Litigation Costs. In the event that any lawsuit is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that any party may be called on to pay, a reasonable sum for the successful party's costs and attorney's fees.

11. Recitals and Headings. The provisions of the Recitals of this Agreement are substantive and shall be included in any interpretation of the Agreement. The titles or headings to the sections of this Agreement are not a part of the Agreement, are solely for the convenience of the parties, and shall not be used to explain, modify, simplify, or and in the interpretation of the provisions of this Agreement.

12. Notice. Any notice or other communication required or permitted to be given under this agreement shall be in writing and delivered personally or by certified mail, return receipt requested, postage prepaid, addressed to the parties at the addresses listed above. The address for service of notices may be changed from time to time by giving written notice of the party's new address to the other parties.

13. Binding Effect; Assignment. This Agreement shall be valid and binding upon the parties hereto and their respective successors and assigns. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent may be granted or withheld at the sole discretion of the other party.

14. Non-waiver. The failure of any party to this Agreement to insist on the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance of waiver had occurred.

15. Severability. The invalidity of any portion of this Agreement shall not be deemed to affect the validity of any other provision hereof. In the event that any provision of this Agreement is held to be invalid or unenforceable, the parties hereto agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by all parties hereto subsequent to the deletion of the invalid provision.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto regarding its subject matter, and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.

17. Modification. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by an authorized representative of each party.

18. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with, the laws of the State of Indiana. This Agreement and all of the terms and provisions hereof shall survive the completion of construction of the Project.

IN WITNESS WHEREOF, the Utility has executed this Agreement by the undersigned as its duly authorized representatives as of the date set first forth above.

HENRYVILLE MEMBERSHIP SANITATION CORPORATION (the "Utility")

By: *[Signature]*
President

Attested by:

[Signature]
Secretary

STATE OF INDIANA)
) ss:
COUNTY OF CLARK)

BEFORE ME, the undersigned, a Notary Public, in and for the above-named County and State, personally appeared *Greg Bagshaw* and *Doug Darity*, as the duly authorized president and secretary of Henryville Membership Sanitation Corporation, an Indiana not-for-profit corporation, each of whom acknowledged the execution of the foregoing Agreement on behalf of said corporation as its free and voluntary act and deed for the uses and purposes expressed herein.

Witness my hand and Notarial seal this 23rd day of December, 2010.

My Commission expires:

10-24-2015

Resident of Clark County

[Signature]
Notary Public

Donald L. Abbott
Printed Signature

IN WITNESS WHEREOF, the County has executed this Agreement by the undersigned as its duly authorized representatives as of the date set first forth above.

CLARK COUNTY, INDIANA, by
and on behalf of the Board of Clark
County Commissioners (the
"County")

By: M. Edward Meyer
M. Edward Meyer, President

Attested by:

Keith Groth
Keith Groth, Clark County Auditor

STATE OF INDIANA)
) ss:
COUNTY OF CLARK)

BEFORE ME, the undersigned, a Notary Public, in and for the above-named County and State, personally appeared M. Edward Meyer, as the duly authorized president of the Board of Clark County Commissioners, and Keith Groth, as the duly authorized Clark County Auditor, each of whom acknowledged the execution of the foregoing Agreement on behalf of Clark County, Indiana, as its free and voluntary act and deed for the uses and purposes expressed herein.

Witness my hand and Notarial seal this _____ day of _____, 2010.

My Commission expires:

Notary Public

Resident of _____ County

Printed Signature

This Agreement prepared by:
C. Gregory Fifer, Attorney
428 Meigs Avenue
APPLEGATE & FIFER
Jeffersonville, Indiana 47131-1418
(812) 284-9499

EXHIBIT B

SUMMARY OF THE PROJECT

I. HENRYVILLE REST AREA SANITARY SEWER EXTENSION.

INDOT desires to connect the sanitary sewers at the Henryville rest areas on I-65 to the HMSC sanitary sewers and abandon the existing sewage treatment plant at the northbound rest area. A preliminary design was made by engineers hired by HMSC for the extension. The preliminary design proposed a force main from the rest area running northeast to US 31 and then south along US 31 to the HMSC sewers. The force main was sized large enough to include several other potential customers.

Attached is a preliminary layout of the pipe run and the required pipe sizes along with a preliminary construction cost estimate for the pipe installation for service to the INDOT rest area only. A force main is proposed from the northbound rest area to US 31. The force main will run cross country through an existing powerline easement. HMSC officials have coordinated the pipe route with the electric company. From the connection at US 31, it is proposed to construct gravity sewer along the east side of US 31 south to Henryville. The east side appears to provide the clearest path. An examination of the grade indicates it is possible to install gravity sewers instead of force main throughout. Inverted siphons may be necessary at the stream crossings or the sewer may be set deep enough to avoid or minimize the use of the siphons. The sewer will be installed using conventional trench construction except for pavement and stream crossings. These crossings will be directional bored. If there are significant utility conflicts, additional directional boring will be used.

There is an allowance made for the connection of the Henryville Correction Facility sewer at the south end of the project. The costs for installing the remaining 2000 lft of pipe south of the correction facility will be shared between INDOT and DOC based on the projected flows from each facility. Current flow data provided by HMSC indicates DOC will be responsible for 30% of these costs.

It is expected to make some kind of retro-fit to the existing pumping station at the northbound rest area. This may be as simple as changing the effluent pipe and the addition of a flow meter or may be as much as pump replacement. The existing sewage treatment plant will be abandoned in place. All salvageable equipment will be removed and delivered to INDOT and the remaining tanks will be abandoned per INDOT's desires and state guidelines.

HMSC will make a determination of any upsizing or additional items needed for their use for this project. The costs of the construction and upsizing

will have to be shared based on the projected flow rates.

II. HENRYVILLE CORRECTIONAL SANITARY SEWER EXTENSION.

DOC desires to connect the sanitary sewers at the Henryville Correctional Facility to the HMSC sanitary sewers and abandon the existing sewage treatment plant. A preliminary design for the extension was prepared by engineers hired by HMSC. The preliminary design proposed a force main from the facility running southeasterly to US 31 to the proposed rest area sewer extension. The force main was designed for the facility and the connection of the existing IDNR office.

Attached is a preliminary layout of the pipe run and the required pipe sizes along with a preliminary construction cost estimate for the pipe installation for service to the DOC facility. A force main is proposed from the DOC property. The force main will run parallel to Schlamm Lake Road on state forest property. A manmade lake with an earth dam lies along the route. The force main will be directionally bored downstream of the dam to avoid any construction complications or potential damage to the dam. Coordination will be made with IDNR concerning this construction. If the force main can safely be constructed within the dam, then it will be. Once past the lake, the pipe will be a gravity sewer. The pipe will have to be jacked under I-65 with a steel casing and cast iron pipe.

There is an allowance made for the connection of the Henryville Correction Facility sewer to the south end of the INDOT Henryville Rest Area Sewer Extension Project. The costs for installing the 2000 lft of pipe south of the connection will be shared between INDOT and DOC based on the projected flows from each facility. Current flow data provided by HMSC indicates DOC will be responsible for 30% of these costs for the 2000 lft of pipe.

It is expected to make some kind of retro-fit to the existing pumping station. This may be as simple as changing the effluent pipe and the addition of a flow meter or may be as much as pump replacement. The existing sewage treatment plant will be abandoned in place. All salvageable equipment will be removed and delivered to DOC and the remaining tanks will be abandoned per DOC's desires and state guidelines.

HMSC will make a determination of any upsizing or additional items needed for their use for this project. The costs of the construction and upsizing will have to be shared based on the projected flow rates.