

ORDINANCE NO. 20-1390

An Ordinance Amending Ordinance No. 17-1358

WHEREAS, the City of Woodburn ("City") has heretofore established, constructed and financed its sewage works, and now owns and operates said sewage works pursuant to IC §36-9-23, as in effect on the issue date of the bonds authorized herein ("Act"); and

WHEREAS, the Common Council ("Council") of the City adopted Ordinance No. 17-1358 on November 6, 2017 ("Bond Ordinance"), which Bond Ordinance authorized the issuance by the City of bonds, in one or more series, in the maximum aggregate principal amount not to exceed \$7,570,000, and if necessary, bond anticipation notes ("BANs"), for the purpose of procuring funds to apply on the costs of the Project (as defined in the Bond Ordinance), refunding the BANs, if issued, and issuance costs; and

WHEREAS, the City has commenced the Project but has determined that additional funds will be needed in the estimated amount of \$525,000 to complete the Project according to the plans, specifications and estimates that have been submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and which have been approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Clerk Treasurer as required by law; and

WHEREAS, the City finds that it has no funds available for application on the increased cost of the Project and that the increased costs of the Project shall be financed by the issuance of sewage works revenue bonds, in one or more series, in a principal amount not to exceed Five Hundred Twenty-Five Thousand Dollars (\$525,000) ("2020 Bonds") and, if necessary, bond anticipation notes ("BANs"); and

WHEREAS, the Common Council finds that there are outstanding bonds payable out of the Net Revenues (as defined in the Bond Ordinance) of the City's sewage works designated "Sewage Works Revenue Bonds of 2010" ("2010 Bonds"), dated June 30, 2010, originally issued in the amount of \$2,500,000, now outstanding in the amount of \$1,545,000 and maturing annually over a period ending October 1, 2030, which 2010 Bonds constitute a first charge upon the Net Revenues of the sewage works; and

WHEREAS, pursuant to the Bond Ordinance the City issued \$6,663,000 in aggregate principal amount of its Sewage Works Revenue Bonds of 2017, Series A ("Series A Bonds"), dated December 15, 2017, now outstanding in the amount of \$6,123,000 and maturing annually over a period ending October 1, 2039, and payable out of the Net Revenues (as defined in the Bond Ordinance) of the City's sewage works on a parity with the 2010 Bonds, and Pledged Tax Increment (as defined in the Bond Ordinance); and

WHEREAS, pursuant to the Bond Ordinance, the City issued \$402,000 aggregate principal amount of its Sewage Works Revenue Bonds of 2017, Series B ("Series B Bonds" and with the Series A Bonds collectively, "2017 Bonds"), dated December 15, 2017, now outstanding in the

amount of \$379,000 and maturing annually over a period ending October 1, 2052, and payable out of the Net Revenues of the City's sewage works on a parity with the 2010 Bonds and Series A Bonds, and Pledged Tax Increment; and

WHEREAS, pursuant to the Bond Ordinance, the City issued \$500,000 of its Taxable Sewage Works Bond Anticipation Note, dated December 15, 2017 ("2017 BAN"); and

WHEREAS, the ordinance authorizing the issuance of the now outstanding 2010 Bonds permits the issuance of additional bonds ranking on a parity with outstanding bonds provided certain conditions can be met, and the City finds that the finances of said sewage works will enable the City to meet the conditions for the issuance of additional parity bonds and that accordingly, the revenue bonds issued hereunder shall rank on a parity with the 2010 Bonds and 2017 Bonds; and

WHEREAS, the City entered into a Financial Assistance Agreement with the Indiana Finance Authority ("Authority") as part of its wastewater loan program established and existing pursuant to IC §4-4-11 (now IC §5-1.2-1 through 4) and IC §13-18-13 (now IC §5-1.2-10) ("SRF Program"), pertaining to the Project and the issuance of the 2017 Bonds and 2017 BAN ("2017 Financial Assistance Agreement"); and

WHEREAS, the City may enter into a Financial Assistance Agreement with the Authority as part of its SRF Program, pertaining to the Project and the issuance of the 2020 Bonds ("Financial Assistance Agreement"); and

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

WHEREAS, the 2010 Bonds, the 2017 Bonds, and the 2017 BAN were each purchased under the SRF Program; and

WHEREAS, the Bond Ordinance and the 2017 Financial Assistance Agreement pertaining to the Project, the financing of the Project, and authorizing the issuance of the 2017 Bonds and 2017 BAN, requires the prior written consent and approval of the Authority to any amendment or supplement to the Bond Ordinance, which written consent has been given; and

WHEREAS, the Common Council now finds that it is necessary to amend the Bond Ordinance to increase the maximum authorized size of the Project and the maximum aggregate principal amount of bonds to be issued all conditions precedent to the adoption of this ordinance have been complied with in accordance with the provisions of the Act; now, therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF WOODBURN, INDIANA, THAT:

Section 1. Section 1 of the Bond Ordinance shall be amended, and hereby is amended and restated, as follows:

Sec. 1. Authorization of Project. The City shall proceed with the

construction of the Project in accordance with the plans, specifications and estimates heretofore prepared and filed by the consulting engineers employed by the City, which plans, specifications and estimates are now on file in the office of the Clerk Treasurer of the City, 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 plans, specifications and cost estimates will be placed on file in the office of the Clerk Treasurer of the City and be open for public inspection pursuant to IC § 36-1-5-4. The estimated cost of construction of said Project is expected to not exceed the sum of \$8,095,000, plus investment earnings on the BAN and bond proceeds, without further authorization from this Common Council. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this ordinance shall be construed to mean the Treatment Works, as defined in the Financial Assistance Agreement, and includes all 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 as well as other structures and property of the City's sewage utility, including items defined at IC § 36-9-1-8. The Project shall be constructed in accordance with the plans, specifications and estimates heretofore mentioned, which Project is hereby approved. Said Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Section 2 of the Bond Ordinance shall be amended, and hereby is amended and restated, as follows:

Sec. 2. Issuance of BANs and Bonds. (a) The City shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the cost of said Project. The City may issue its BANs, in an aggregate amount not to exceed Seven Million Five Hundred Seventy Thousand Dollars (\$7,570,000) to be designated "[Taxable] Sewage Works Bond Anticipation Notes." Said BANs shall be sold at not less than 99% of their par value, shall be numbered consecutively from 1 upward, shall be in denominations of One Dollar (\$1) as designated in the purchase agreement for the BANs, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 5.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable upon maturity. The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 5.0% per annum (the exact rate or rates to be negotiated with the purchaser 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 be registered in the name of the purchasers thereof. Notwithstanding anything in this ordinance to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term "taxable" as the first word in the designated name.

The BANs shall be issued pursuant to IC §5-1.2-10 (previously IC §13-18-13) if sold to the Authority, pursuant to IC §5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to IC §5-1-14-5 if sold to a financial institution or any other purchaser. The principal of and interest on the BANs shall be payable solely from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act. The revenue bonds will be payable solely out of and constitute (a) a first charge against the Net Revenues (herein defined as gross revenues of the sewage works of the City, inclusive of System Development Charges (as hereafter defined), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the City, on a parity with the payment of the 2010 Bonds and (b) the Pledged Tax Increment, pursuant to IC 5-1-14-4 and IC 36-7-14. For purposes of this ordinance, "System Development Charges" shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this ordinance; provided, however, that any System Development Charges that are enacted under IC 36-9-23-29, shall be considered as Net Revenues of the sewage works. For purposes of this ordinance, "Pledged Tax Increment" shall mean the proceeds and balances from any Pledged Tax Increment that are available for deposit under this ordinance.

(b) The City shall issue its bonds designated "Sewage Works Revenue Bonds of 20_, [Series_____]" to be completed with the year of issuance and series designation, if any ("Bonds"), in an aggregate principal amount not to exceed Eight Million Ninety-Five Thousand Dollars (\$8,095,000) for the purpose of procuring funds to apply on the costs of the Project, refunding the BANs, if issued, and issuance costs. The Bonds shall be sold at not less their par value if sold to the Authority as part of its SRF Program or not less than 99% of their par value if sold to any other purchaser and shall be issued in the denomination of One Dollar (\$1) each or integral multiples thereof, if sold to the Authority as part of its SRF Program and in denominations of Five Thousand Dollars (\$5,000) each or integral multiples thereof if sold to any other purchaser, numbered consecutively from R-1 upward, dated as of the date of delivery and shall bear interest at a rate or rates not exceeding 5.0% per annum (the exact rate or rates to be determined through negotiation with the Authority, through its SRF Program or as determined by bidding). Interest on the Bonds is payable semiannually on April 1 and October 1 in each year, commencing on the first April 1 or the first October 1 following delivery of the Bonds as designated by the Clerk Treasurer, with the advice of the City's financial advisor.

Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature annually on October 1, or be subject to mandatory sinking fund redemption on October 1, over a period ending no later than October 1, 2052 (as determined under the Financial Assistance Agreement), and in such amounts that will either (i) produce as level annual debt service as practicable taking into account the annual debt service on the 2010 Bonds and the Bonds issued hereunder, (ii)

produce as level annual debt service as practicable or, (iii) if the Bonds are sold to the Authority as part of its SRF Program, allow the City to meet the coverage and/or amortization requirements of the SRF Program. If the 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.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser thereof. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on October 1 in the years as determined by the purchaser thereof, but in no event later than the last serial maturity date of the Bonds as determined in the preceding paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereinafter determined in accordance with the preceding paragraph. Interest on the Bonds and BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months. Each series of Bonds shall rank on a parity with the other for all purposes, including the pledge of (a) Net Revenues, on a parity with the payment of the 2010 Bonds and (b) Pledged Tax Increment under this ordinance.

Section 3. Form of Bonds. The form and tenor of the Bonds shall be substantially in the form as set forth on Exhibit A hereto, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

Section 4. Tax Covenants. In order to preserve the exclusion of interest on the 2020 Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the 2020 Bonds ("Code") and as an inducement to purchasers of the 2020 Bonds, the City represents, covenants and agrees that:

(a) The sewage works will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the 2020 Bonds or property financed by the 2020 Bond 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 2020 Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take or pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the 2020 Bonds, as the case may be. If the City enters into a management contract for the sewage works, the terms of the contract will comply with IRS Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract does not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the 2020 Bonds.

(b) No more than 10% of the principal of or interest on the 2020 Bonds is (under the terms of the 2020 Bonds, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the 2020 Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the 2020 Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the 2020 Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the 2020 Bonds will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the 2020 Bonds.

(e) No more than 5% of the proceeds of the 2020 Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the 2020 Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the 2020 Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the 2020 Bonds to be (i) treated as private activity bonds under Section 141 of the Code or (ii) "arbitrage bonds" within the meaning of Section 148 of the Code.

(g) It shall be not an event of default under this ordinance if the interest on any 2020 Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the 2020 Bonds.

(h) The City represents that it will rebate any arbitrage profits to the United States in accordance with the Code.

(i) These covenants are based solely on current law in effect and in existence on the date of delivery of such 2020 Bonds.

(j) The City represents that:

(i) The 2020 Bonds are not private activity bonds as defined in Section 141 of the Code;

(ii) The City hereby designates the 2020 Bonds as qualified tax exempt obligations for purposes of Section 265(b) of the Code;

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

(iv) The City will not designate more than \$10,000,000 of qualified tax- exempt obligations during the year of issuance.

Therefore, the 2020 Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax exempt obligations.

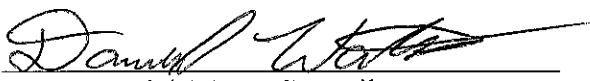
Section 5. Conflicting Ordinances. All other provisions of the Bond Ordinance shall remain in full force and effect. This ordinance shall not be construed as modifying, amending or repealing the ordinances authorizing the 2010 Bonds or as adversely affecting the rights of the holders of the aforementioned 2010 Bonds or the 2017 Bonds.

Section 6. Effective Date. This ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

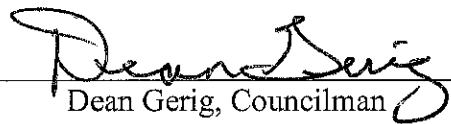
Adopted and Ordained on the 5th of October, 2020.

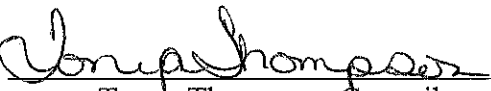
[SIGNATURE PAGE TO FOLLOW]

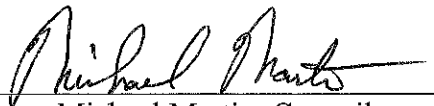
COMMON COUNCIL OF THE CITY OF WOODBURN, INDIANA

By:  YEA ☒ NAY ABS
Daniel Watts, Councilman


By:  YEA ☒ NAY ABS
Mike Voirol, Councilman

By:  YEA ☒ NAY ABS
Dean Gerig, Councilman

By:  YEA ☒ NAY ABS
Tonya Thompson, Councilman

By:  YEA ☒ NAY ABS
Michael Martin, Councilman

ATTEST:

By: 
Timothy Cummins, Clerk-Treasurer

The foregoing ordinance passed by the Council is signed and approved (☒) / not approved () by me on the same date.

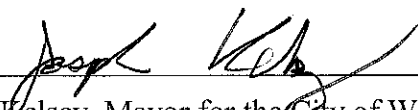
By: 
Joseph Kelsey, Mayor for the City of Woodburn

EXHIBIT A

FORM OF BOND

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

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF ALLEN

CITY OF WOODBURN

SEWAGE WORKS REVENUE BOND OF _____, [,SERIES _]

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Woodburn (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, or its assigns,] on [the Maturity Date set forth above] **OR** [October 1 in the years and in the amounts as set forth on Exhibit A 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 dates of payment made on this Bond] or [the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, _____, in which case it shall bear interest from the Original Date,] which interest is payable semiannually on the first days of April and October of each year, beginning on _____ 1, _____ 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 _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana.] All payments of [principal of and] interest on this Bond shall be paid by [check mailed one business day prior to the interest payment date] or [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority ("Authority") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by (the "Registrar" or "Paying Agent") in the _____ of Indiana] or [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the City of Woodburn within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Pledged Tax Increment (as defined in the Ordinance) and Net Revenues.

This Bond is [the only] one of an authorized issue of Bonds of the City of Woodburn, [of like tenor and effect, except as to numbering, interest rate, and dates of maturity,] in the total amount of _____ Dollars (\$ _____)(the "Bonds"), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the City's sewage works, [to refund interim notes issued in anticipation of the Bonds] and to pay incidental expenses, as authorized by an ordinance adopted by the Common Council of the City of Woodburn on the 6th day of November, 2017, entitled "An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Woodburn, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the pledge of tax increment collected in the City of Woodburn Economic Development Area; 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" as amended on the ___ day of _____, 2020 (as amended, the "Ordinance"), and in strict compliance with the provisions of IC §36-9-23, as in effect on the issue date of the Bonds (the "Act").

[Reference is hereby made to the Financial Assistance Agreement ("Financial Assistance Agreement") between the City and the Authority concerning certain terms and covenants pertaining to the sewage works project and the purchase of this Bond as part of the

wastewater loan program established and existing pursuant to IC §5-1.2-1 through 4 and IC §5-1.1-10.]

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

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Sewage Works Sinking Fund (continued by the Ordinance) to be provided from the Net Revenues (defined as gross revenues of the sewage works, inclusive of System Development Charges (as defined in the Ordinance), after deduction only for the reasonable cost of operation, repair and maintenance) of the sewage works of the City. In addition, the bonds authorized by the Ordinance are secured by a pledge of and constitute a first charge against the Pledged Tax Increment (as defined and describe in the Ordinance). The Bonds of the issue of which this Bond is a part have been issued on a parity with certain bonds previously issued by the City (the "2010 Bonds and 2017 Bonds") as more particularly described in the Ordinance.

The City of Woodburn irrevocably pledges the Pledged Tax Increment and the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the 2010 Bonds and 2017 Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of Operation and Maintenance [(as defined in the Financial Assistance Agreement)] of said works and, together with the Pledged Tax Increment, for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The City of Woodburn further covenants that it will set aside and pay Pledged Tax Increment into its Sewage Works Sinking Fund, and a sufficient amount of the Net Revenues of said works after considering such amount of Pledged Tax Increment so set aside, to meet (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, 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 sewage works, as such principal shall fall due, and (d) an additional amount to [create and] maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon the Pledged Tax Increment, and a first charge upon all the Net Revenues of said works on a parity with the aforementioned 2010 Bonds.

The Bonds of this issue maturing on October 1, _____, and thereafter, are redeemable at the option of the City on 1, _____, or any date thereafter, on [sixty (60)] [thirty (30)] days' notice, in whole or in part, [in inverse order of maturity] [in the order of maturity as determined by the City] and by lot within a maturity, at face value together with the following premiums:

_____%if redeemed on _____ 1, _____ or thereafter
on or before _____, _____;
_____%if redeemed on _____ 1, _____ or thereafter
on or before _____, _____;
_____%if redeemed on _____ 1, _____ or thereafter
prior to maturity;

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

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

Amount

*

*Final Maturity]

Each [One Dollar (\$1)] [Five Thousand Dollar (\$5,000)] amount shall be considered a separate bond for purposes of optional [and mandatory] 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. [If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the City, as of the date which is [sixty-five (65)] [forty-five (45)] days prior to such redemption date, not less than [sixty (60)] [thirty (30)] days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the 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.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, the City 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 City shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a 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 City, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance.

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

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

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 City of Woodburn, in Allen County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the Mayor of the City of Woodburn, Indiana, [its corporate seal to be hereunto affixed, imprinted or impressed by any means] and attested manually or by facsimile by its Clerk-Treasurer.

CITY OF WOODBURN, INDIANA

By _____
Joseph Kelsey, Mayor

[SEAL]

Attest:

Timothy Cummins, Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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