

AGENDA

THE SEWER BOARD MEETING OF THE CIVIL CITY OF NEW ALBANY, INDIANA, WILL BE HELD IN ROOM 100 AT NEW ALBANY CITY HALL ON THURSDAY, MARCH 26, 2026 AT 9:15 A.M.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

March 12, 2026 Regular Meeting Minutes

BIDS/CONTRACTS:

NEW BUSINESS:

1. Mike Wallace/Beau Zoeller– Resolution Sewer Improvements and Bond Projects

COMMUNICATIONS - PUBLIC:

COMMUNICATIONS - CITY OFFICIALS:

SEWER ADJUSTMENTS:

FINANCIAL REPORT:

TABLED ITEMS:

OLD BUSINESS:

UTILITY REPORT:

1. Mike Wallace re: Wastewater Utility Monthly Report Summary for December 2025

CLAIMS:

ADJOURN:

New Albany Sewer Board Members

Mayor Jeff Gahan; President; Appointing Authority: Mayor; Term: 01/01/2024 - 12/31/2027
Ed Wilkinson; Vice President; Appointing Authority: City Council; Term: 12/18/2024 - 12/18/2027
Nathan Grimes; Member; Appointing Authority: City Council; Term: 04/06/2024 - 04/06/2027

THE SEWER BOARD MEETING OF THE CIVIL CITY OF NEW ALBANY, INDIANA, WAS HELD IN ROOM 100 AT NEW ALBANY CITY HALL ON THURSDAY, MARCH 12, 2026 AT 9:15 A.M.

PRESENT: Ed Wilkinson, member, and Nathan Grimes, member, Mayor Gahan, president

ALSO PRESENT: April Dickey, Mike Wallace, Karen Melton, Larry Summers, Councilman Dickey and Vicki Glotzbach

CALL TO ORDER:

Mayor Gahan called the meeting to order at 9:15 a.m.

PLEDGE OF ALLEGIANCE:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mr. Grimes moved to approve the February 26, 2026 Regular Meeting Minutes, Mr. Wilkinson second, all voted in favor.

BIDS/CONTRACTS:

1. Mike Wallace re: Dan Cristiani Excavating - Pay App #5 (UV Disinfection Improvements)

Mr. Wallace presented Pay App #5 for Dan Crisitani Excavating regarding the UV Disinfection Improvements in the amount of \$137,962.80. He stated that he is comfortable recommending approval and added that the project is moving along, with startup set for early next week.

Mr. Grimes moved to approve, Mr. Wilkinson second, all voted in favor.

2. Mike Wallace re: Dan Cristiani Excavating - Pay App #7 (Old Vincennes Sewer Relocate)

Mr. Wallace presented Pay App #7 for Dan Cristiani regarding the Old Vincennes Sewer Relocate in the amount of \$156,114.86. He stated that the project is complete other than waiting on some testing and inspections that should come next month.

Mr. Wilkinson asked if everything went okay with the project.

Mr. Wallace explained that there were issues with a lot of utilities and a lot of rock in the ground, which slowed them down a bit.

Mr. Wilkinson moved to approve, Mr. Grimes second, all voted in favor.

NEW BUSINESS:

1. Mike Wallace/Matt Duncan – Resolution Sewer Improvements and Bond Projects

Mr. Wallace asked to push this to the next meeting to give them an opportunity to tweak a few more items.

Mr. Grimes moved to table this item until the next meeting, Mr. Wilkinson second, all voted in favor.

COMMUNICATIONS - PUBLIC:

COMMUNICATIONS - CITY OFFICIALS:

SEWER ADJUSTMENTS:

Mrs. Dickey presented a leak adjustment request for Richard Landon in the amount of \$1,239.04 for a leak that occurred in a fitting where the house line attached to the main line below the sidewalk. She explained that there was never any water visible anywhere but that it was maybe going under the street, the leak was repaired by Stemler Plumbing, and that his consumption is back to normal. Supporting documents are attached.

Mr. Grimes moved to approve, Mr. Wilkinson second, all voted in favor.

Mrs. Dickey presented a leak adjustment request for Donald Hayes in the amount of \$1,141.47 for a leak that occurred in the line from the meter to the house beside the driveway. She explained that the water went into the yard, the leak was repaired by Williams Plumbing, and consumption is back to normal. Supporting documents are attached.

Mr. Wilkinson moved to approve, Mr. Grimes second, all voted in favor.

Mrs. Dickey presented a leak adjustment request for Eric Huth in the amount of \$2,293.15 for a leak that occurred at the main line in the basement/cellar. She explained that the water went into the sump pump and pumped into the yard, the leak was repaired by Cody the Plumber, and consumption is back to normal. Supporting documents are attached.

Mr. Grimes moved to approve, Mr. Wilkinson second, all voted in favor.

FINANCIAL REPORT:

Mr. Wilkinson reported that there were a couple of lines with high percentages but that is because of a double billing in February, since there was no bill in January, and the annual licensing for the plant at \$15,000.00. He added that everything else was right on budget.

TABLED ITEMS:

OLD BUSINESS:

UTILITY REPORT:

CLAIMS:

Mrs. Moeller presented the Sewer Claims Docket from 02/26/202-03/11/2026 in the amount of \$453,080.10

Vendor Name	Amount	Dept
POSTMASTER	30,000.00	SBO
OFFICE SUPPLY COMPANY INC	36.55	SBO
AMERICAN WATER	4,750.00	SBO
DUKE ENERGY	577.82	SBO
CROWN SERVICES INC	740.48	SBO
CROWN SERVICES INC	734.63	SBO
CROWN SERVICES INC	424.58	SBO
CROWN SERVICES INC	742.73	SBO
BLACK DIAMOND	65.00	WWTP
BLACK DIAMOND	70.00	WWTP
BLACK DIAMOND	90.00	WWTP
BLACK DIAMOND	80.00	WWTP
MURPHY ELEVATOR COMPANY INC.	200.09	WWTP
MURPHY ELEVATOR COMPANY INC.	858.00	WWTP
GIBSON LAW OFFICE LLC	563.08	WWTP
CLARK-FLOYD LANDFILL LLC.	14,017.59	WWTP
KENTUCKY TRUCK SALES INC.	128,000.00	WWTP
MICROBAC LABORATORIES INC	138.25	WWTP

BIG O TIRES	655.08	WWTP
BIG O TIRES	592.01	WWTP
QUILL	761.29	WWTP
CINTAS # 302	287.27	WWTP
CLARK-DIETZ	7,745.08	WWTP
HENRY P. THOMPSON CO.	3,927.00	WWTP
BYRNE'S GARAGE INC.	319.87	WWTP
BYRNE'S GARAGE INC.	143.25	WWTP
GRAINGER	24.77	WWTP
GRAINGER	732.17	WWTP
GRAINGER	248.16	WWTP
COPIER MART	208.95	WWTP
J.R. HOE & SONS INC.	552.42	WWTP
DELTA SERVICES LLC	51,407.00	WWTP
C.C.E. INC.	45.00	WWTP
METRO ANSWERING SERVICE	185.50	WWTP
TECHNICAL BALANCE LLC	1,440.00	WWTP
ECO-TECH LLC-WASTE LOGISTICS	1,445.86	WWTP
LAWYER EXCAVATION	100,735.18	WWTP
Wilson Equipment Co. LLC	632.61	WWTP
ACTION EQUIPMENT SALES CO INC	438.50	WWTP
FLACK INDUSTRIES LLC.	2,500.00	WWTP
NGT CORP.-COVERALL SERVICE CO.	1,175.00	WWTP
MINICAM INC.	2,907.00	WWTP
Holmes Ace Hardware	30.97	WWTP
Holmes Ace Hardware	21.02	WWTP
Holmes Ace Hardware	14.99	WWTP
VESTIS SERVICES LLC	2,094.00	WWTP
VESTIS SERVICES LLC	881.59	WWTP
ASCENDANCE TRUCKS MIDWEST LLC	1,459.91	WWTP
INDIANA AMERICAN WATER	24.75	TU/T
INDIANA AMERICAN WATER	10.07	TU/T
INDIANA AMERICAN WATER	51.55	TU/T
INDIANA AMERICAN WATER	24.75	TU/T
GIBSON LAW OFFICE, LLC	1,060.72	TU/T
CLARK CO. REMC	419.25	TU/T
AT&T	665.96	TU/T
DUKE ENERGY	8,443.07	TU/T
DUKE ENERGY	45,959.80	TU/T
DUKE ENERGY	741.22	TU/T
DUKE ENERGY	2,969.51	TU/T
DUKE ENERGY	265.57	TU/T
DUKE ENERGY	39.26	TU/T
DUKE ENERGY	121.50	TU/T
DUKE ENERGY	35.33	TU/T
DUKE ENERGY	88.57	TU/T
DUKE ENERGY	1,180.82	TU/T
HODGES, THOMAS	45.00	TU/T
TYLER TECHNOLOGIES	6,400.00	TU/T
TYLER TECHNOLOGIES	800.00	TU/T
CHARTER COMM HOLDINGS LLC	133.26	TU/T
CHARTER COMM HOLDINGS LLC	724.90	TU/T
CHARTER COMM HOLDINGS LLC	124.99	TU/T
PROSCREENING, LLC.	23.85	TU/T
PROSCREENING, LLC.	23.85	TU/T
PROSCREENING, LLC.	45.00	TU/T
PROSCREENING, LLC.	22.50	TU/T
PROSCREENING, LLC.	68.90	TU/T
PROSCREENING, LLC.	30.00	TU/T

PROSCREENING, LLC.	34.45	TU/T
PROSCREENING, LLC.	34.45	TU/T
CENTERPOINT ENERGY	226.91	TU/T
CENTERPOINT ENERGY	433.22	TU/T
CENTERPOINT ENERGY	231.57	TU/T
CENTERPOINT ENERGY	1,350.07	TU/T
CENTERPOINT ENERGY	121.38	TU/T
CENTERPOINT ENERGY	894.41	TU/T
CENTERPOINT ENERGY	2,202.48	TU/T
MARCUS FLYNN ACCOUNTING & ADV	4,000.00	TU/T
MARCUS FLYNN ACCOUNTING & ADV	3,500.00	TU/T
INDIANA AMERICAN WATER	48.95	TU/T
INDIANA AMERICAN WATER	48.95	TU/T
INDIANA AMERICAN WATER	24.75	TU/T
INDIANA AMERICAN WATER	26.15	TU/T
INDIANA AMERICAN WATER	48.95	TU/T
INDIANA AMERICAN WATER	24.75	TU/T
INDIANA AMERICAN WATER	24.75	TU/T
INDIANA AMERICAN WATER	24.75	TU/T
INDIANA AMERICAN WATER	26.15	TU/T
INDIANA AMERICAN WATER	280.95	TU/T
INDIANA AMERICAN WATER	48.95	TU/T
INDIANA AMERICAN WATER	111.02	TU/T
INDIANA AMERICAN WATER	48.95	TU/T
INDIANA AMERICAN WATER	48.95	TU/T
NEW ALBANY MUNICIPAL UTILITIES	4.17	TU/T
NEW ALBANY MUNICIPAL UTILITIES	4.17	TU/T
NEW ALBANY MUNICIPAL UTILITIES	4.17	TU/T
NEW ALBANY MUNICIPAL UTILITIES	4.17	TU/T
NEW ALBANY MUNICIPAL UTILITIES	4.17	TU/T
AT&T	302.49	TU/T
DUKE ENERGY	428.87	TU/T
DUKE ENERGY	25.92	TU/T
DUKE ENERGY	767.00	TU/T
DUKE ENERGY	116.59	TU/T
DUKE ENERGY	24.86	TU/T
DUKE ENERGY	38.99	TU/T
DUKE ENERGY	25.25	TU/T
QUADIANT LEASING USA INC.	207.27	TU/T
ALLIANCE OF INDIANA RURAL WATE	450.00	TU/T
ALLIANCE OF INDIANA RURAL WATE	450.00	TU/T
TYLER MENGELBERG	111.90	TU/T
Grand Total	453,080.10	

Mr. Grimes moved to approve the above claims, Mr. Wilkinson second, all voted in favor.

ADJOURN:

There being no further business before the board, the meeting adjourned at 9:28 a.m.

Mayor Gahan, President

Vicki Glotzbach, City Clerk

BEFORE THE NEW ALBANY SEWER BOARD, NEW ALBANY, INDIANA

RESOLUTION NO. SB-01-2026

* * * * *

WHEREAS, the New Albany Sewer Board (“Board”) is responsible for the management and oversight of the sewer utility of the City of New Albany, Indiana (the “City”).

WHEREAS, the Board has made and continues to make strides to improve the position of the City’s sewer utility.

WHEREAS, the City made numerous improvements to the sanitary sewer collection systems over the last few decades which in 2021 resulted in the release of United States Environmental Protection Agency (EPA) Consent Decree requirements dating back to the late 1990’s that the City had been under mandating upgrades.

WHEREAS, the Board has identified various projects for the City’s sewage works facility and collection systems to further improve the sewer utility and service to the citizens of New Albany.

WHEREAS, the Board finds it beneficial and financially responsible to continue sewage works facility and collection systems improvements, and, therefore, recommends to the New Albany City Council the issuance of sewage works revenue bonds by the City as outlined in the attached Draft Ordinance, attached hereto as Exhibit A and incorporated by reference herein.

NOW, THEREFORE, be it resolved that the Board acknowledges the benefits of the issuance of sewage works revenue bonds for the projects to improve the sewage works facility and collection system which will provide additional resources to the Utility for further improvements and recommends the adoption of the Draft Bond Ordinance and approval of the projects described therein by the New Albany City Council.

IN WITNESS WHEREOF, this New Albany Sewer Board, has approved by majority vote of its members at a properly noticed and convened meeting held this the ___ day of February, 2026.

NEW ALBANY SEWER BOARD

By: _____
President, Sewer Board

Attested by:

Vicki Glotzbach, City Clerk

EXHIBIT A

DRAFT BOND ORDINANCE

(attach)

NEW ALBANY COMMON COUNCIL

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWAGE WORKS REVENUE BONDS FOR THE PURPOSE OF FUNDING CERTAIN ADDITIONS AND IMPROVEMENTS TO THE SEWAGE WORKS OF THE CITY OF NEW ALBANY AND AUTHORIZING OTHER MATTERS CONNECTED THEREWITH

WHEREAS, the City of New Albany, Indiana (the "City") acting by and through its Common Council (the "Common Council") has heretofore established, constructed, and financed a municipal sewage works and stormwater system for the purpose of providing for the collection, treatment, and disposal of sewage and stormwater from the City (the "System") and now owns and operates the System pursuant to Indiana Code 36-9-23, as in effect on the issue date of the bonds, as applicable, which are authorized herein;

WHEREAS, the Common Council finds that there are now outstanding bonds originally issued to finance the construction of improvements and additions to the City's sewage works and secured by a first charge upon the Net Revenues (defined herein) of the System: (i) "Sewage Works Revenue Bonds of 2010," dated December 30, 2010 ("2010 Bonds"), now outstanding in the principal amount of One Million Eight Hundred Forty-Eight Thousand Dollars (\$1,848,000) with a final maturity of September 1, 2029; (ii) "Sewage Works Revenue Bonds of 2012," dated December 12, 2012 ("2012 Bonds"), now outstanding in the principal amount of Two Million Five Hundred Forty Thousand Dollars (\$2,540,000) with a final maturity of September 1, 2032; and (iii) "Sewage Works Revenue Bonds, Series 2016A," dated December 29, 2016 ("2016 Bonds"), now outstanding in the principal amount of Twelve Million Four Hundred Sixty-Five Thousand Dollars (\$12,465,000) with a final maturity of September 1, 2036;

WHEREAS, the 2010 Bonds, 2012 Bonds, and 2016 Bonds are hereinafter referred to collectively as the "Outstanding Parity Bonds";

WHEREAS, the 2010 Bonds were issued pursuant to Ordinance No. G-10-18 (the "2010 Ordinance"), the 2012 Bonds were issued pursuant to Ordinance No. G-12-04 (the "2012 Ordinance"), and the 2016 Bonds were issued pursuant to Ordinance No. G-16-03 (the "2016 Ordinance," and together with the 2010 Ordinance and the 2012 Ordinance, collectively, the "Prior Ordinances");

WHEREAS, the Common Council finds it advisable to issue additional sewage works revenue bonds in the aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000) (the "Bonds") and to use the proceeds, together with funds on hand, to finance sewer and stormwater improvement projects and any matters related thereto as may be further described in Exhibit A attached hereto and incorporated herein by reference (the "Project"), to fund a debt service reserve and a debt service reserve surety, if necessary, and to pay for all costs related to the issuance of the Bonds, including premiums for municipal bond insurance, if any;

WHEREAS, the Bonds to be issued pursuant to this Ordinance will constitute a first charge against the Net Revenues of the System on a parity with the Outstanding Parity Bonds and are to be

issued subject to the provisions of IC §§ 5-1-14 and 36-9-23, as in effect on the issue date of the Bonds authorized herein (collectively, "Act"), and the terms and restrictions of this Ordinance;

WHEREAS, the Prior Ordinances permit the issuance of additional bonds ranking on parity with the Outstanding Parity Bonds provided that certain conditions can be met, and the City finds that the finances of the System will enable the City to meet the conditions for the issuance of additional parity bonds and that, accordingly, the Bonds authorized herein shall constitute a first charge on the Net Revenues of the System, on a parity with the Outstanding Parity Bonds;

WHEREAS, prior to the issuance of the Bonds, the City will obtain the required consent of the Indiana Finance Authority (the "Authority"), which is the holder of the 2010 Bonds;

WHEREAS, the Common Council has been advised that it may be cost efficient to purchase municipal bond insurance for the Bonds and/or a debt service reserve surety for the Bonds authorized herein; and

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

WHEREAS, the Common Council consequently seeks to authorize the issuance of Bonds pursuant to the Act and the sale of the Bonds pursuant to the provisions of the Act.

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

Section 1. Issuance of Bonds. The City shall issue and sell its sewage works revenue bonds, designated "City of New Albany, Indiana, Sewage Works Revenue Bonds, Series 202__ (to be completed in the year in which issued)," in an aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000) (the "Bonds") for the purpose of procuring funds to be applied to the Project, a debt serve reserve fund and a debt service reserve surety, if any, and the payment of costs of issuance and all other costs related to the issuance of the Bonds, including premiums for municipal bond insurance, if any. The Bonds shall be payable solely out of and constitute a charge against the Net Revenues (herein defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance, excluding transfers for payment in lieu of property taxes) of the System, including all additions and improvements thereto and replacements thereof subsequently constructed or acquired, and shall rank on a parity for all purposes with the Outstanding Parity Bonds.

The Bonds shall be issued in denominations of One Hundred Thousand Dollars (\$100,000) and One Thousand Dollars (\$1,000) integral multiples above such amount, denominations of Five Thousand Dollars (\$5,000) and any integral multiples above such amount, or such other denominations as determined by the Controller of the City with the advice of Crowe LLP, the municipal advisor to the City for financing purposes ("Municipal Advisor"), numbered consecutively from R-1 upward, dated as of the date of delivery, as determined on the

date of issuance of the Bonds by the Controller and the Mayor as evidenced by their execution of the Bonds. The Bonds shall bear interest at a rate or rates not exceeding eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or as negotiated or placed with the purchaser of the Bonds), calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest shall be payable semiannually on March 1 and September 1 in each year, beginning not later than September 1, 2026, as determined on the date of issuance of the Bonds by the Controller and the Mayor as evidenced by their execution of the Bonds. The Bonds shall be sold at a price of not less than 99.0% of the par value thereof (the "Sale Price"). Principal on the Bonds 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, or shall be subject to mandatory sinking fund redemption, beginning not later than September 1, 2027 and on September 1 of each year thereafter over a period ending not later than September 1, 2047 and in such amounts as are approved by the Controller and the Mayor as evidenced by their execution of the Bonds.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the initial purchaser of the Bonds. Such term bonds shall have a stated maturity or maturities of September 1 in the years as determined by the initial purchaser of the Bonds, but in no event later than the last serial maturity date of the Bonds as determined in the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are determined in accordance with the above paragraph.

Section 2. Registrar and Paying Agent; Book-Entry Provisions. The Controller is hereby authorized to contract with a qualified financial institution to serve as registrar and paying agent for the Bonds (the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds. The Controller is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Controller 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 Sewage Works Sinking Fund (as hereinafter defined) established to pay the principal of and interest on the Bonds as fiscal agency charges.

The principal of the Bonds shall be payable at the principal office of the Paying Agent. Presentation and surrender of the Bonds shall be required only for the final payment of principal upon maturity. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the fifteenth day of the month preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

If the Bonds are registered in the name of a registered owner in whose name is held \$1,000,000 or more of principal amount of the Bonds, by providing written instructions to the Registrar before the fifteenth day of the month immediately preceding the month in which such interest is payable, the principal of and interest thereon may be paid by wire transfer to such

financial institution as designated by such registered owner, or as otherwise agreed, 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.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the designated corporate trust office of the Registrar by the registered owner 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 an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The City, the Registrar and the Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon. The Registrar shall not be obligated to make any transfer or exchange of any Bond called for redemption within forty-five (45) days of the redemption date.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the City and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the City. Any such notice to the City may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor registrar and paying agent. The City shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the City, the Controller is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Controller is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sewage Works Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

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

from such interest payment date, or unless the Bonds are authenticated on or before the fifteenth day of the month immediately preceding the month of the first interest payment date, in which case they shall bear interest from the original date until the principal shall be fully paid.

The Bonds may, in compliance with all applicable laws, be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"). The City and Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

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

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

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owners of the Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered

owner of the Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Controller and/or the Registrar are authorized to enter into a Letter of Representations agreement with the Clearing Agency, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth herein. The Registrar, by accepting the duties of Registrar under this resolution, agrees that it will (i) undertake the duties of agent set forth therein and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, so long as the Bonds remain and are held in book-entry form, the provisions of Section 2 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

Section 3. Redemption of Bonds. The Bonds will be subject to optional redemption prior to maturity as determined by the Controller of the City with the advice of the Municipal Advisor.

Notice of optional redemption shall be given not more than sixty (60) and not less than thirty (30) days prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Bond. Such notice shall be mailed to the address of the registered owners of the Bonds to be redeemed as shown on the registration records of the City. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The failure to give such notice by mailing or a defect in the notice or the mailing as to any Bond shall not affect the validity of any proceedings for redemption as to any other Bonds for which notice is adequately given. The place of redemption shall 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 principal office of the Paying Agent to pay the redemption price on the date so named. Any term bonds shall be subject to mandatory sinking fund redemption.

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

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

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

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

R-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF FLOYD

CITY OF NEW ALBANY
SEWAGE WORKS REVENUE BONDS, SERIES 202__

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL SUM: Dollars (\$_____)

The City of New Albany ("City"), in Floyd County, State of Indiana, for value received, hereby promises to pay to the Registered Owner named above or registered assigns, solely out of the Sewage Works Sinking Fund (as hereinafter defined), the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon at the Interest Rate per annum stated above, from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____, 20__, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on the first days of March and September in each year, beginning on _____, _____. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of this bond is payable at the designated office of _____ (the "Registrar", or "Paying Agent"), in the _____, _____. Presentation and surrender of this bond shall be required only for the final payment of principal upon maturity. All payments of interest on this bond shall be paid by check, mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. In the event of purchase by such owner in

whose name is registered \$1,000,000 or more principal amount of the bonds, upon written instructions to the Registrar before the fifteenth day of the month immediately preceding the month in which principal or interest is payable, payments of principal or interest on this bond shall be made by wire transfer for deposit to a financial institution as designated by such registered owner 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. 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.

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

This bond is one of an authorized issue of bonds of the City, issued in series, of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating _____ Dollars (\$ _____), numbered consecutively from R-1 upward (the "Bonds"), issued for the purpose paying costs of the Project (as defined in the hereinafter defined Ordinance) and to pay incidental expenses [, including a municipal bond insurance premium and a debt service reserve surety premium] [,funding a debt service reserve] and costs of issuing the bonds. This bond is issued pursuant to an ordinance adopted by the Common Council of the City on the _____ day of _____, 2026, entitled "AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWAGE WORKS REVENUE BONDS FOR THE PURPOSE OF FUNDING CERTAIN ADDITIONS AND IMPROVEMENTS TO THE SEWAGE WORKS OF THE CITY OF NEW ALBANY AND AUTHORIZING OTHER MATTERS CONNECTED THEREWITH" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana Code 36-9-23 and the laws amendatory thereof and supplemental thereto, as in effect on the date of delivery of the bonds (collectively, the "Act").

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of said issue, other Outstanding Parity Bonds, as defined in the Ordinance, and any bonds hereafter issued on a parity therewith are payable solely from the Sewage Works Sinking Fund continued under the Prior Ordinances (as defined in the Ordinance) and maintained under the Ordinance to be provided from the Net Revenues (herein defined as the gross revenues remaining after the payment of the reasonable expenses of the operation, repair and maintenance, excluding transfers for payment in lieu of property taxes) of the sewage works of the City, including all additions and improvements thereto and replacements thereof subsequently constructed or acquired.

The City irrevocably pledges the entire Net Revenues of the sewage works to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the Outstanding Parity 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 services rendered by the utility, as are sufficient in each year for

the payment of the proper and reasonable expenses of Operation and Maintenance (as defined in the Ordinance) of the sewage works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for 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 covenants that for so long as the bonds of this issue and any bonds issued on a parity therewith, remain outstanding it will set aside and pay into the Sewage Works Sinking Fund a sufficient amount of the Net Revenues of the sewage works for the payment of (a) the principal and interest on all bonds which by their terms are payable from the revenues of the sewage works of the City, as such principal and interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and (c) an additional amount to accumulate and maintain a reserves for the payment of bonds equal to applicable Reserve Requirement, which is equal to the least of (i) the maximum amount debt service on the bonds secured by such reserve subaccounts, (ii) 125% of average amount debt service on the bonds secured by such reserve subaccounts, and (iii) 10% of the stated principal amount of the bonds secured by such reserve subaccounts. Such required payments shall constitute a first charge upon all the Net Revenues of the sewage works. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

[INSERT OPTIONAL REDEMPTION PROVISIONS]

[INSERT MANDATORY SINKING FUND REDEMPTION TERMS]

Notice of such optional [and mandatory] redemption shall be mailed to the address of the registered owners of the bonds to be redeemed as shown on the registration records of the City, not more than sixty (60) and not less than thirty (30) days prior to the date fixed for redemption unless the notice is waived by the registered owner of this bond. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The failure to give such notice by mailing or a defect in the notice or the mailing as to any bond shall not affect the validity of any proceeding for redemptions to any other bond for which notice is adequately given. 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 a date required 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 designated corporate trust 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 an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or to the registered owner, as the case may be, in exchange therefor. This bond may be transferred without cost to the registered owner except for any tax or governmental charge required to be paid with respect to the transfer. The City, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due thereon.

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the bonds as provided in the Ordinance if the Common Council of the City determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the bonds.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of [One Hundred Thousand Dollars (\$100,000) and One Thousand Dollars (\$1,000)] [Five Thousand Dollars (\$5,000) and] integral multiples above such amount.

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

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

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

CITY OF NEW ALBANY, INDIANA

By _____
Mayor

[SEAL]

Attest:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or typewrite name and address of transferee)

(please insert social security or
other identifying number of assignee)

\$ _____ in principal amount (must be a multiple of \$1,000) of the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

[END OF BOND FORM]

Section 6. Authorization for Preparation and Sale of the Bonds. (a) The Controller of the City is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Controller of the City are hereby authorized and directed to execute or to cause the execution of the Bonds in the form and manner herein provided. The Controller of the City is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or respective purchasers have agreed to pay therefor, which shall not be less than ninety-nine percent (99%) of the par value of the Bonds, plus accrued interest, if any, to the date of delivery. The Bonds, when fully paid for and delivered to the purchaser or purchasers, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the System to be set aside and paid into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the application to the costs of the Project and costs of issuance related to the Bonds. The authorized officers of the City are hereby authorized and

directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

(b) The Bonds may be sold through a competitive sale, negotiated sale, private placement, or to the Indiana Bond Bank, as determined by the Controller based upon the advice provided by the Municipal Advisor, with such determination set forth in the Controller's Certificate.

(c) If the Bonds will be sold through a private placement or negotiated sale, the Common Council authorizes the engagement of a placement agent to market the Bonds ("Placement Agent").

(d) The Common Council hereby approves, and authorizes and directs the Mayor and the Controller, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under, a bond placement agreement with the Placement Agent and/or a bond purchase agreement or such similar agreement with the purchaser of the Bonds, in the form the Mayor and the Controller, with the advice of counsel, determine to be necessary or appropriate, such determination to be conclusively evidenced by such Mayor's and/or such Controller's execution thereof. With the advice of the Municipal Advisor, the Mayor and the Controller shall determine the interest rates payable on the Bonds, with such determination to be evidenced by the Mayor and the Controller's execution of the Bonds. The Common Council hereby approves, and authorizes and directs the Mayor and the Controller, for and on behalf of the City, to approve the use of a private placement memorandum, term sheet, or such other offering document for the sale of the Bonds, and to execute and deliver such documents as are necessary to effect the sale of the Bonds, in the form the Mayor and the Controller, with the advice of counsel, determine to be necessary or appropriate, such determination to be conclusively evidenced by such Mayor's and/or such Controller's execution thereof.

(e) Distribution of an Official Statement (preliminary and final) prepared by the Municipal Advisor, on behalf of the City, is hereby approved and the Mayor and Controller are authorized and directed to execute the Official Statement on behalf of the City in a form consistent with this Ordinance or the notice of sale, as the case may be. The Mayor and Controller are hereby authorized to designate the preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 ("Rule") as promulgated by the Securities and Exchange Commission.

(f) If the Bonds are subject to the Rule, the Mayor and Controller are hereby authorized and directed to complete, execute, and attest a Continuing Disclosure Undertaking Agreement (or similar agreement) ("Undertaking") on behalf of the City, consistent with the terms of this Ordinance, if necessary to comply with the Rule. Notwithstanding any other provisions of this Ordinance, the failure of the City to comply with the Undertaking shall not be considered an event of default under this Ordinance or the Bonds.

(g) In the event the Municipal Advisor certifies to the City that it would be economically advantageous for the City to obtain a municipal bond insurance policy for the Bonds, the City hereby authorizes the purchase of such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference

between the present value cost of (a) the total debt service on the Bonds if issued without municipal bond insurance and (b) the total debt service on the Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. If such an insurance policy is purchased, the Mayor and the Controller are hereby authorized to execute and deliver all agreements with the provider of the policy to the extent necessary to comply with the terms of such insurance policy and the commitment to issue such policy. Such agreement shall be deemed a part of this Ordinance for all purposes and is hereby incorporated herein by reference.

(h) If the Bonds will be sold at a competitive sale, prior to the sale of the Bonds, the Controller may cause to be published (i) a notice of such sale in *The News and Tribune*, the only newspaper published in Floyd County, Indiana, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in *The News and Tribune* and the *Indianapolis Business Journal* or the *Indianapolis Star*, all in accordance with I.C. 5-1-11 and I.C. 5-3-1. The notice may or shall also be posted at the City Hall in accordance with I.C. 5-3-1. A notice or summary notice of sale may also be published in the *Indianapolis Business Journal* or in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys employed by the City shall deem advisable, and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8), or one-hundredth (1/100) of one percent (1%). The notice may provide that the rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. If the Bonds are issued with interest that is tax-exempt under the Code, the notice will also state that the winning bidder will agree to assist the City in establishing the issue price under Treas. Reg. Section 1.148-1(f) ("Issue Price Regulation"). The criteria for establishing the issue price under the Issue Price Regulation shall be set forth in the Preliminary Official Statement and/or the bid form. The notice may provide, among other things, that electronic bidding will be permitted and that the successful bidder shall be required to submit a certified or cashier's check or a wire transfer on immediately available funds in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice within twenty-four (24) hours of the sale and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default. No conditional bids or bids for less than ninety-nine percent (99%) of the par value of the Bonds will be considered.

(i) Prior to the delivery of the Bonds, the Controller of the City (i) shall be authorized to investigate and to obtain credit enhancement and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Frost Brown Todd LLP or any successor thereto, Indianapolis, Indiana, bond counsel for the City ("Bond Counsel"), and such opinion shall be furnished to the purchasers of the Bonds at the expense of the City. The costs of obtaining any such credit enhancement and/or credit ratings, together with bond counsel's fee in

preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the costs of issuance of the Bonds and shall be paid out of the proceeds of the sale of the Bonds.

Section 7. Disposition of Proceeds of Bonds. The net proceeds received by the City from the sale of the Bonds shall be applied by the City, in accordance with instructions delivered by the Controller of the City to the Registrar and Paying Agent, as follows:

(a) An amount equal to the sum of (i) the accrued interest, if any, on the Bonds, (ii) any premium received at the time of the delivery of the Bonds, plus (iii) any amount intended to fund the Reserve Requirement (as hereinafter defined) of the Sewage Works Sinking Fund, shall be deposited into the Sewage Works Sinking Fund;

(b) An amount equal to the estimated costs of issuance of the Bonds and other fees and charges associated with the issuance of the Bonds, including any fees and charges associated with obtaining credit enhancement or insurance and any credit rating for the Bonds, shall be deposited into the Sewage Works 2026 Costs of Issuance Fund; and

(c) The remaining proceeds shall be deposited into the Sewage Works 2026 Construction Fund to be used for the costs of construction and development of the Project.

Pursuant to the Act, the owners of the Bonds shall be entitled to a lien on the proceeds of the Bonds until such proceeds are applied as required by this Ordinance and by Indiana law.

Section 8. Sewage Works 2026 Costs of Issuance Fund. A special fund, designated as the "Sewage Works 2026 Costs of Issuance Fund," ("Costs of Issuance Fund") is hereby created. All amounts in the Costs of Issuance Fund shall be expended only for the purpose of paying the costs of issuance of the Bonds and any other fees and charges associated with the issuance of the Bonds, including any fees and charges associated with obtaining credit enhancement and/or credit rating for the Bonds. Any balance remaining unexpended in the Costs of Issuance Fund after payment of all such costs, fees and charges shall, not later than six (6) months after the date of issuance of the Bonds, be transferred into the Sewage Works Sinking Fund and shall be used solely for the purposes of such fund or as otherwise permitted by Indiana Code 5-1-13.

Section 9. Sewage Works 2026 Construction Fund. A special fund, designated as the "Sewage Works 2026 Construction Fund" ("Construction Fund") is hereby created. All amounts in the Construction Fund shall be expended only for the purpose of paying the costs of construction and development of the Project. Any balance or balances remaining unexpended in the Construction Fund after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall either (a) be paid into the Bond and Interest Account of the Sewage Works Sinking Fund and used solely for the purpose of paying the principal of and interest on the Bonds when due until depleted or (b) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with I.C. 5-1-13, as amended and supplemented.

Section 10. Revenue Fund. All income and revenues of the System shall be deposited upon receipt in the Sewage Works Revenue Fund, which is hereby continued as contemplated by the Prior Ordinances (the "Revenue Fund"). The Revenue Fund shall be maintained separate and apart from all other accounts of the City. Except as permitted hereunder, no moneys derived from the revenues of the System shall be transferred to the General Fund of the City or be used for any purpose not connected with the System so long as any obligations payable from the Net Revenues of the System are outstanding.

Section 11. Operation and Maintenance Fund. There shall be transferred from the Revenue Fund and credited to the Operation and Maintenance Fund, which is hereby continued as contemplated by the Prior Ordinances (the "Operation and Maintenance Fund"), on or before the last day of each calendar month a sufficient amount of the revenues of the System so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the System for the then next succeeding two calendar months. Moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the System on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacement, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of the principal of or interest on the outstanding obligations of the System.

Section 12. Sewage Works Sinking Fund. (a) General. The Sewage Works Sinking Fund in the Prior Ordinances is hereby continued and shall hereafter also be held for the Bonds. After meeting the requirements of the Operation and Maintenance Fund set forth above, there shall be set aside and deposited in the Sewage Works Sinking Fund, as available, and as provided below, the Net Revenues of the System to meet the requirements of the Bond and Interest Account and the Reserve Accounts continued in the Sewage Works Sinking Fund pursuant to the Prior Ordinances and this Ordinance (the "Reserve Accounts"). Such payments, on the dates and in the amounts provided below, shall continue until the balance in the Bond and Interest Account, plus the balance in each of the applicable the Reserve Accounts equal the amount necessary to redeem all the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds (collectively, the "Bonds").

(b) Bond and Interest Account. There shall be credited, on the last day of each calendar month, to the Bond and Interest Account an amount of Net Revenues equal to the sum of one-sixth (1/6) of the interest and one-twelfth (1/12) principal on all then outstanding obligations payable from Net Revenues on the then next succeeding interest and principal payment date until the amount of interest and principal payable on the then next succeeding respective interest and principal payment date shall have been so credited. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges for paying principal and interest on the obligations payable from Net Revenues of the System as the same become payable. The City shall, from the sums deposited in the Sewage Works Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner and 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.

(1) There is hereby continued, within the Sewage Works Sinking Fund, the Reserve Accounts. The City has determined to divide its Reserve Account into two subaccounts based on the ownership of the bonds. For all bonds owned by or to be sold to the Indiana Finance Authority (the "Authority"), as part of its wastewater loan program established and existing pursuant to Indiana Code 4-4-11 and Indiana Code 13-18-13 ("SRF Program") (the 2010 Bonds), the City created a subaccount entitled the SRF Reserve Account. The City shall deposit Net Revenues into the SRF Reserve Account on the last day of each calendar month until the balance in the SRF Reserve Account equals but does not exceed the maximum annual principal and interest requirements on the 2010 Bonds ("SRF Reserve Requirement"). The SRF Reserve Account is currently funded in an amount equal to the SRF Reserve Requirement. The SRF Reserve Account shall only secure such 2010 Bonds, unless the Authority consents to an additional use.

The second subaccount created in the Reserve Accounts is titled the Open Market Reserve Account and such account is hereby continued. The Open Market Reserve Account shall secure the 2012 Bonds, the 2016 Bonds, and the Bonds issued under this Ordinance (collectively, the "Secured Bonds"). On the date of delivery of the Bonds, funds on hand of the sewage works, Bond proceeds, a surety, or a combination thereof may be deposited into the Open Market Reserve Account. The balance to be maintained in the Open Market Reserve Account shall equal but not exceed the least of: (i) maximum annual debt service on the Secured Bonds, (ii) 125% of average annual debt service on the Secured Bonds, and (iii) 10% of the Secured Bonds ("Open Market Reserve Requirement"). If the initial deposit into the Open Market Reserve Account does not cause the balance therein to equal the Open Market Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Open Market Reserve Account on the last day of each calendar month until the balance therein equals the Open Market Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Open Market Reserve Requirement within five years of the date of delivery of the Bonds issued under this Ordinance.

The SRF Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the 2010 Bonds, and the SRF Reserve Account shall be used to pay current principal and interest on such bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the SRF Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. After the Open Market Reserve Requirement is fully funded with cash, any deficiency in the SRF Reserve Account shall be made up from the next available Net Revenues remaining after credits to the Bond and Interest Account, on a parity basis with deposits into the Open Market Reserve Account. Any moneys in the SRF Reserve Account in excess of the SRF Reserve Requirement shall be transferred to the Sewage Works Improvement Fund.

The Open Market Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Secured Bonds, and the Open Market Reserve Account shall be used to pay current principal and interest on such bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. After the SRF Reserve Requirement is fully funded with cash, any deficiency in the Open Market Reserve Account shall be made up from the next available Net Revenues remaining after credits into the

Bond and Interest Account, on a parity basis with deposits into the SRF Reserve Account. Any moneys in the Open Market Reserve Account in excess of the Open Market Reserve Requirement shall be transferred to the Sewage Works Improvement Fund.

(2) If the initial deposit into the Open Market Reserve Account does not equal the Reserve Requirement or if no deposit is made, then, after meeting the requirements of the Bond and Interest Account set forth above and commencing in the month the Bonds are issued, the City shall transfer from the Revenue Fund on or before the last day of each calendar month and deposit an amount of Net Revenues in the Open Market Reserve Account until the balance therein equals the Open Market Reserve Requirement. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five years of the date of delivery of the Bonds.

(3) The Reserve Accounts shall constitute a margin for safety and a protection against default in the payment of the principal of, premium, if any, and interest on the Outstanding Parity Bonds and the Bonds, as applicable, and the moneys in the applicable Reserve Account shall be used to pay the principal of and interest on outstanding Bonds that it secures to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in a Reserve Account shall be promptly made up from the next available Net Revenues remaining after the required deposits into the Bond and Interest Account. In the event moneys in either Reserve Account are transferred to the Bond and Interest Account to pay the principal of and interest on Outstanding Parity Bonds or the Bonds, then that depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the required deposits into the Bond and Interest Account, if there are insufficient Net Revenues and moneys on deposit in the Improvement Fund (as herein defined), in any month to make the deposits into the applicable Reserve Account required by this Section, Section 12 hereof and by the Prior Ordinances or this Ordinance.

(4) Investments in the Reserve Account shall be valued at least annually at their fair market value and marked to market. If, after such valuation, it is determined that the amount on deposit in either Reserve Account is in excess of the applicable Reserve Requirement, such excess shall either be transferred to the Improvement Fund or be used for the purchase of outstanding Bonds or installments of principal of outstanding Bonds at a price not exceeding par and accrued interest thereon.

(5) Reserve Fund Credit Facility.

(A) Notwithstanding the forgoing, the Controller, with the advice of the Municipal Advisor and Bond Counsel, may enable the City to satisfy all or any part of its obligation to maintain an amount in the Reserve Account equal to the Reserve Requirement by depositing a Reserve Fund Credit Facility in the Reserve Account, provided that such deposit does not adversely affect any then existing rating on the Bonds. A Reserve Fund Credit Facility is hereby defined as a letter of credit, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the City for the

purpose of satisfying in whole or in part the City's obligation to maintain the Reserve Requirement.

(B) The long-term debt of the provider of the Reserve Fund Credit Facility shall be rated at least "AA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, or any successor thereto, or at least "Aa" by Moody's Investors Service or any successor thereto.

(C) If the Reserve Requirement applicable to the Bonds is met by a combination of cash and a Reserve Fund Credit Facility, the City shall be required: (i) to draw on each such Reserve Fund Credit Facility in its proportion to the total Reserve Requirement allocable to any series of Bonds, Outstanding Parity Bonds, or Additional Parity Bonds secured by such Reserve Fund Credit Facility so that cash and Reserve Fund Credit Facility draws are proportionately applied to each such use of the Reserve Account to pay debt service on such Bonds, Outstanding Parity Bonds, or Additional Parity Bonds; and (ii) to apply Net Revenues in respect of any replenishment of the Reserve Account allocable to such Bonds, Outstanding Parity Bonds, or Additional Parity Bonds in the same proportion to the repayment (and reinstatement) of the Reserve Fund Credit Facility on the one hand and to the cash funded portion of the Reserve Account allocable to such Bonds, Outstanding Parity Bonds, or Additional Parity Bonds on the other.

(d) The Sewage Works Sinking Fund (containing the Bond and Interest Account and any Reserve Account) may be held by a financial institution acceptable to the Authority as part of its SRF Program, pursuant to terms acceptable to the Authority. If the Sewage Works Sinking Fund and the accounts therein are so held in trust, the City shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and any Reserve Account in accordance with this Ordinance, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the City's outstanding Bonds. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for any outstanding Bonds of the City. The Mayor and Controller are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sewage Works Sinking Fund in the form of trust agreement as approved by the Mayor and Controller, consistent with the terms and provisions of this Ordinance.

Section 13. Sewage Works Improvement Fund. In the event all required monthly payments into the Operation and Maintenance Fund and the Sewage Works Sinking Fund, including the Bond and Interest Account and the Reserve Account, have been met to date, and the applicable Reserve Requirement has been accumulated in the Reserve Account, then any excess Net Revenues may be transferred into the fund continued by the Prior Ordinances (and hereby continued) and designated as the "Sewage Works Improvement Fund" (the "Improvement Fund") and the Improvement Fund shall be used for depreciation, improvements, replacements, additions and extensions of the System. Moneys in the Improvement Fund shall be transferred to the Sewage Works 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, or may be transferred to

the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the System.

Section 14. Maintenance of Accounts; Investment of Funds. The Costs of Issuance Fund, the Construction Fund, the Bond and Interest Account, and the Reserve Accounts shall be maintained as separate accounts separate from all other accounts of the City. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account or separate accounts, but such account or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sewage Works Sinking Fund. All moneys deposited in the Funds and Accounts created or continued by this Ordinance shall be deposited, held and secured as public funds in accordance with the public depository laws of the State; provided that moneys therein may be invested in obligations in accordance with applicable laws, including Indiana Code 5-13, as amended, 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. Other than for the Sewage Works Sinking Fund, nothing in this Section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the other Funds and Accounts created or continued by this Ordinance.

Section 15. Financial Records and Accounts. The City shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the System and all disbursements made therefrom and all transactions relating to the utility. The City shall maintain on file the audited financial statements of the utility prepared by the State Board of Accounts. There shall be furnished, upon written request, to any owner of the Bonds, the most recent copy of the audited financial statements of the System prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Controller.

Section 16. Pledge of Net Revenues. The Bonds, and any bonds ranking on a parity therewith as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon all the Net Revenues of the System on parity with the Outstanding Parity Bonds. The City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the System, and the Bonds shall not constitute an indebtedness of the City or any municipal corporation or political subdivision of the State of Indiana within the meaning of the provisions and limitations of the constitution of the State of Indiana.

All revenues derived from the operation of the sewage works and from the collection of sewer and storm water rates and charges shall be deposited in the Revenue Fund, hereby continued, and segregated and deposited as set forth in this Ordinance. Of 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 reserve shall be funded and the costs of replacements, extensions, additions and improvements shall be paid.

Section 17. Defeasance of the Bonds. If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for

redemption or irrevocable instructions to call the Bonds or a portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys, (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit of a bank or banks fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal and interest on which when due will provide sufficient moneys for such purpose; shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's System.

Section 18. Rate Covenant. The City 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 sewage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the sewage works, or that in any way uses or is served by the sewage works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the City), to provide for the proper Operation and Maintenance of the sewage works, to comply with and satisfy all covenants contained in this Ordinance and to pay all obligations of the sewage works and of the City with respect to the sewage works. The rates and charges shall be established and maintained at a level, to the extent permitted by law, to produce Net Revenues sufficient to pay 1.00 times the annual debt service on the Bonds, the Outstanding Parity Bonds, and any bonds hereafter issued on a parity therewith. However, notwithstanding any provisions to the contrary, so long as any of the Outstanding Parity Bonds remain outstanding, the rates and charges shall be established and maintained at a level, to the extent permitted by law, to produce Net Revenues sufficient to pay 1.25 times the annual debt service on the Bonds, the Outstanding Parity Bonds, and any bonds hereafter issued on a parity therewith. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom, reasonably expected to be collected and available to provide for the timely payment of debt service on outstanding bonds, shall always be sufficient to meet the expenses of Operation and Maintenance of the sewage works and the requirements of the Sinking Fund. For so long as the 2010 Bonds are outstanding, the City agrees to cause a study of its rates and charges to be completed at least every two years and such study shall be filed with the Authority. The rates and charges so established shall apply to any and all use of such works by and service rendered to the City, and shall be paid by the City as the charges accrue.

Section 19. Additional Bond Provisions. The City reserves the right to authorize and issue additional bonds payable out of the Net Revenues of its sewage works ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to its sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the sewage works shall have been paid in accordance with their terms. The Reserve Requirement shall be satisfied for the additional parity bonds either at the time of delivery of the

additional parity bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 12(c) of this Ordinance for the SRF Reserve Account.

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

For purposes of this subsection, all showings shall be prepared by a certified public accountant employed by the City for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of March and September and the principal on, or mandatory sinking fund redemptions for, the additional parity bonds shall be payable annually on September 1.

(d) For so long as the 2010 Bonds are owned by the Authority through its SRF Program and the City obtains the consent of the Authority, (i) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreements related to the 2010 Bonds, and (ii) the City is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which purpose the bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 20. Further Covenants of the City; Maintenance, Insurance, Pledge Not To Encumber, Subordinate Indebtedness, and Contract With Bondholders. For the purpose of further safeguarding the interests of the owners of the Bonds, it is hereby specifically provided as follows:

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

(b) So long as any of the Bonds are outstanding, the City shall maintain insurance on the insurable parts of said work, of a kind and in an amount such as would normally be carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

As an alternative to maintaining such insurance, the City may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities.

Insurance proceeds or self-insurance proceeds shall be used in replacing or repairing the property destroyed or damaged, or if not used for that purpose, shall be treated and applied as net revenues of the works.

(c) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of the System, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, except such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said utility, and except as approved by the owners of all the bonds issued pursuant to this Ordinance, then outstanding, if the Common Council receives an opinion of nationally recognized bond counsel to the effect that the transaction will not cause interest on the bonds to be included in gross income for federal tax purposes.

(d) The City shall take all actions or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said System.

(e) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the Bonds nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of such owners so long as any of the Bonds or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 21, this Ordinance may be amended, however, without the consent of the owners of the Bonds, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

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

(g) So long as any of the Bonds are outstanding, the City shall not sell, transfer, lease or otherwise encumber the System, or any portion thereof, or any interest therein, provided,

however, that so long as the 2010 Bonds are owned by or if any of the Bonds are sold to the Authority, the City shall obtain the prior written consent of the Authority.

(h) So long as the 2010 Bonds are owned by or if any of the Bonds are sold to the Authority as part of its SRF Program, the City shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the System, other than for normal operating expenditures, without the prior written consent of the Authority if such undertaking would involve, commit or use the revenues of the sewage works.

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

Section 21. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section and Sections 21 and 28, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right from time to time, to consent to and approve the adoption by the Common Council of the City of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on 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) The creation of a lien upon or a pledge of the revenues or Net Revenues of the System ranking prior to the pledge thereof created by this Ordinance; or

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

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

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Controller of the City, 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 Common Council of the City 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 his section, this Ordinance shall be, and shall be deemed, modified and

amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds then outstanding.

Section 22. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Bonds (the "Code") and as an inducement to purchasers of the Bonds, the City represents, covenants and agrees that:

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

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

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

(d) The City will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion.

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

(f) The City hereby covenants that it will rebate any arbitrage profits to the United States to the extent required by the Code and the regulations promulgated thereunder.

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

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

Section 23. Execution of Documents. The Mayor, the Controller, and the Clerk may also take such other actions or deliver such other certificates, agreements, or documents as are necessary or desirable in connection with the issuance of the Bonds and the other documents needed for the Refunding as they deem necessary or desirable in connection therewith.

Section 24. Rate Ordinance. The estimates of the rates and charges of the sewage works are set forth in Ordinance No. G-16-16, adopted by the Common Council on December 15, 2016, as amended by Resolution No. 17-04, adopted by the Common Council on March 16, 2017. This Ordinance hereby ratifies the rates and charges of the sewage works as set forth in Resolution No. 17-04. The estimates of the stormwater rates and charges are set forth in Ordinance No. G-09-32, adopted by the Common Council on August 20, 2009. Said ordinances and resolutions are incorporated herein by reference.

Section 25. Satisfaction of Parity Bond Tests of the Prior Ordinances. Prior to the sale of the Bonds, the City shall obtain any required consent of the Authority for the issuance of the Bonds. The Common Council hereby finds and determines that, upon receipt of any such consent from the Authority, the adoption of this Ordinance and the issuance of the Bonds are in compliance with each of the Prior Ordinances and do not and will adversely impact the interests of the owners of the 2010 Bonds, the 2012 Bonds, and the 2016 Bonds. The Prior Ordinances shall remain in full force and effect.

Section 26. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 27. Other Actions. The appropriate officers are hereby authorized to take all actions to obtain a rating, bond insurance or any other form of credit enhancement for the Bonds if economically feasible and desirable and with the favorable recommendation of the municipal advisors to the City. In addition, the appropriate officers of the City are hereby authorized and directed to take any other action deemed necessary or advisable in order to effectuate the sale and issuance of the Bonds, or any other purposes of this Ordinance.

Section 28. Amendment of Ordinance without Consent of Bondholders. The Common Council may, from time to time, and without the consent of bondholders, adopt ordinances supplemental hereto (which supplemental ordinances shall thereafter form a part hereof) for any one or more of the following purposes:

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

(b) To grant to or confer upon the owners of the Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds, or to make any change which, in the judgment of the Common Council, is not to the prejudice of the owners of the Bonds;

(c) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America or to obtain or maintain bond insurance with respect to payments of principal of and interest on the Bonds;

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

(e) To procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental resolution, if such supplemental resolution will not adversely affect the owners of the Bonds; or

(f) Any other purpose which in the judgment of the Common Council does not adversely impact the interests of the owners of the Bonds.

Section 29. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, are hereby repealed. None of the provisions of this Ordinance shall be construed to adversely affect the rights of the owners of the Outstanding Parity Bonds.

Section 30. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

Section 31. Effective Date. This Ordinance shall be in full force and effect immediately upon adoption and compliance with I.C. § 36-4-6-14.

Passed and adopted by the Common Council of the City of New Albany, Indiana this _____ day of _____, 2026.

COMMON COUNCIL OF THE CITY OF NEW ALBANY, INDIANA

Presiding Officer

Attest:

City Clerk

Presented by me to the Mayor of the City of New Albany, Indiana, on the _____ day of _____, 2026, at the hour of __:__.m.

City Clerk

This ordinance approved and signed by me, the Mayor of the City of New Albany, Indiana, on the _____ day of _____, 2026, at the hour of __:__.m.

Mayor

EXHIBIT A

The Project

The Project will include but not be limited to: (a) improvements to the 720 Building/Press Room; (b) additions to the Phosphorus Storage Building; (c) preliminary treatment improvements; (d) replacement of Raw Water Pump Station #110 MCC; (e) acquisition of wet weather clarifier and RAS/WAS pump and piping; (f) acquisition of oxidation ditch mixers; (g) track removal, building improvements, and other improvements and additions to the City's wastewater treatment plant; (h) removing overflow basin; (i) assessment of condition of lift stations; (j) upgrades and replacements to lift stations; (k) sewer upgrades to Old Vincennes Road; (l) improvements to Basin 17; (m) rehabilitation study for Falling Run Interceptor; (n) construction of Falling Run Interceptor; and (o) certain other sanitary sewer improvements that will benefit the public health and welfare of the City and those areas served by the sewage works.

New Albany Wastewater Utility Monthly Report Summary for December 2025

Influent / Effluent Quality

The treatment plant was in full compliance for the month of December.

Pretreatment

There were 42 grease trap inspections submitted.

Facility Operations

77 dry tons of bio solids were removed from the WWTP.

The WWTP was at 50% of its Total Suspended Solids design limit and at 63% of its CBOD design limit.

There was 2.18 inches of rain for the month.

Preventative and Unscheduled Maintenance

231 preventative work orders were completed and 15 corrective work orders were completed for the WWTP and Lift Stations.

Highlights

Rebuild spare hydraulic cylinder

Repaired fence and gate at Reflection Lake lift station

Repaired fine screen #3 door and screen

Replaced hydraulic cylinder on belt press #1

Replaced pressure switch on belt press #2

Sanitary Collection System

<i>Project</i>		<i>Current Month</i>		<i>Year-to-Date</i>	
<i>Sanitary Sewer Flushed/ft</i>		<i>13428</i>		<i>184722</i>	
<i>Sanitary Sewer Televised/ft.</i>		<i>6302</i>		<i>136971</i>	
<i>CIPP Installed/ft</i>		<i>0</i>		<i>1020</i>	
<i>Tap Inspections</i>		<i>5</i>		<i>143</i>	
<i>Locates</i>		<i>708</i>		<i>13002</i>	
<i>Pipe Patches</i>		<i>0</i>		<i>14</i>	
<i>Service Requests</i>	<i>Odor Complaint</i>	<i>Main Block</i>	<i>Resident Problem</i>	<i>Emergency Locates</i>	
<i>29</i>	<i>0</i>	<i>2</i>	<i>16</i>	<i>11</i>	

Preventative and Unscheduled Maintenance

119 preventative work orders were completed and 31 corrective work orders were issued for the Collection System.

Construction Highlights

Manhole Repairs

0

#Manhole Installations

0

#Pipe Patches

0

#Main Line Repairs

3

#Lateral Repairs

1

Easement Maintenance

0

Annual/Semi Annual, Monthly Routine and Preventative Sewer Cleaning

928 Pennwood Dr
1737 Culbertson Ave
1135 Griffin St
2601 Pamela Dr
126 Edgemont Dr
347 E 15th St

Chemical Root Treatment

411 Highland Ave
1215 Indiana Ave
615 Lynn Rd
401 Captain Frank Rd
3313 Norwood Dr
2021 Depauw Ave
918 Korb Ave
911 Oakland Dr
Bentbrook Dr
1833 Center St
2105 Charlestown Rd
833 Cedar Bough Pl
608 Kent Dr
1591 Slate Run Rd
912 Korb Ave
546 Beharrell Ave
2714 Linda Dr

Facility Safety

The monthly safety inspection rating was 98.5

Projects

UV Disinfection

- Construction completed

Old Vincennes Rd Sewer Project

- Construction completed
- Testing and inspections are ongoing

720 Building Repair

- The design phase is complete

Phosphorus Building Expansion

- The design phase is complete