

ORDINANCE NO. 2019-12

**AN ORDINANCE OF THE CITY OF LEBANON, INDIANA
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION
BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO PAY FOR
CERTAIN CAPITAL IMPROVEMENTS AND INCIDENTAL
EXPENSES IN CONNECTION THEREWITH AND ON ACCOUNT
OF THE ISSUANCE AND SALE OF THE GENERAL OBLIGATION
BONDS AND APPROPRIATING THE PROCEEDS DERIVED FROM
THE SALE OF SUCH BONDS**

WHEREAS, the City of Lebanon, Indiana ("City") is authorized under Indiana Code 36-4-6-19, as amended, and other applicable provisions of the Indiana Code (collectively, the "Act") to issue bonds to procure moneys to be used in the exercise of the powers of the City; and

WHEREAS, the Common Council of the City ("the Council") now determines that it is necessary and a proper exercise of the powers of the City to finance the costs of infrastructure improvements, including, but not limited to, the repair, construction, and reconstruction of two main bridges located on Witt Road and within the Elmwood Subdivision, together with right-of-way acquisition, design, permitting, associated street construction and reconstruction, pedestrian improvements, trail and pathway infrastructure, stream protection, mitigation, construction and reconstruction, all necessary appurtenances and related improvements, and the incidental expenses in connection therewith (collectively, the "Project"), and hereby finds that it would be of public utility and benefit and in the best interests of the City and its citizens to finance the costs of all or a portion of the Project; and

WHEREAS, the City has obtained estimates of the cost of the Project and will advertise for and receive bids for the Project, which bids will be subject to the City obtaining funds to pay for the Project, and based on the estimates, the cost of the Project, including incidental expenses, is in the amount of \$1,000,000; and

WHEREAS, the Council finds that it does not have sufficient funds available or provided for in the existing budget and tax levy which may be applied to the cost of the Project; and

WHEREAS, the Council deems it advisable to authorize the issuance of general obligation bonds of the City pursuant to the Act (the "Bonds"), in the original aggregate principal amount not to exceed One Million Dollars (\$1,000,000), for the purpose of procuring funds to be applied to pay all or a portion of (a) the cost of the Project and (b) the costs incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, notice of a hearing on the appropriation of the proceeds of the Bonds has been duly given by publication as required by law, and the hearing on the appropriation has been held, at which all taxpayers and other interested persons had an opportunity to be heard; and

WHEREAS, the net assessed valuation of taxable property in the City, as shown in the last final and complete assessment which was made in the year 2018 for state and county taxes collectible in the year 2019 is \$854,256,091 and the City's current outstanding indebtedness counting towards the City's two percent constitutional debt limit, excluding the bonds authorized herein, is \$0; and, therefore, total outstanding indebtedness, including the original principal amount of the Bonds, is no more than two percent (2%) of one-third (1/3) of the total net assessed valuation of the City; such assessment and outstanding indebtedness amounts shall be verified at the time of the payment for and delivery of the Bonds; and

WHEREAS, the total cost of the Project authorized herein will not exceed the *lesser* of (i) Five Million One Hundred Seventy Thousand Dollars (\$5,170,000) or (ii) an amount equal to one percent (1%) of the total gross assessed value of property within the City on the last assessment date (\$1,539,998,592), and, therefore, the Bonds will not be issued to fund a controlled project as defined in Indiana Code § 6-1.1-20-1.1; and

WHEREAS, the City reasonably expects to reimburse expenditures for the Project with the proceeds of the Bonds and the Council desires to establish such intent pursuant to Treas. Reg. § 1.150-2 and Indiana Code § 5-1-14-6(c); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LEBANON, THAT:

Section 1. Determination to Proceed; Declaration of Intent; and Authorization and Details of Bonds.

(a) The City shall proceed to undertake the Project, which shall be funded with proceeds of the Bonds in an amount not to exceed \$1,000,000 plus investment earnings on the Bond proceeds, without further authorization from this Council. The Bonds authorized herein shall be issued pursuant to and in accordance with the Act. The City hereby declares its official intent to reimburse expenditures for the Project which may be incurred prior to the issuance of the Bonds with proceeds of the Bonds, when and if issued, in accordance with Treasury Regulations § 1.150-2 and Indiana Code § 5-1-14-6(c).

(b) In order to procure funds with which to pay the costs of the Project, including funding the costs of issuance of the Bonds, the Clerk-Treasurer is authorized and directed to have prepared and to issue and sell the Bonds of the City, in one or more series, to be designated as "General Obligation Bonds of 20_ [, Series 20__]" (to be completed with the year in which the Bonds are issued and with the appropriate series designation if more than one series of Bonds shall be issued) in an aggregate principal amount not to exceed One Million Dollars (\$1,000,000) (the "Bonds") in accordance with the Act.

The Bonds shall be sold at a price of not less than 99% of the par value thereof, and issued in fully registered form in denominations of (i) \$5,000 or integral multiples thereof or (ii) \$100,000 and integral multiples of \$5,000 in excess thereof, such denominations to be determined by the Clerk-Treasurer with advice of the City's municipal advisor, numbered consecutively from 1 upward and shall bear interest at a rate or rates not to exceed four percent (4%) per annum (the exact rate or rates to be determined by bidding), which interest shall be payable semiannually on January 1 and July 1 of each year, commencing on the first July 1 or the first January 1 following delivery of the Bonds, as determined by the Clerk-Treasurer with the advice of the City's municipal advisor. Interest on the Bonds shall be calculated according to a 360-day year containing twelve 30-day months. The Bonds shall mature semiannually, or shall be subject to mandatory sinking fund redemption if term bonds are issued, on January 1 and July 1 of each year with a final maturity date no later than January 1, 2027 and in such amounts which will produce as level annual debt service payments as practicable with the denominations authorized herein.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities of January 1 and July 1 in the years as determined by the successful bidder, but in no event later than the last serial maturity date of the Bonds as determined in accordance with 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 dates and in the amounts hereinafter determined in accordance with the above paragraph.

(c) The Clerk-Treasurer is authorized and directed to appoint a qualified banking institution to serve as Registrar and Paying Agent ("Registrar" or "Paying Agent") for the Bonds, which shall be charged with the responsibility of authenticating the Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such bank as will enable the bank perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer is further authorized to pay such fees as the bank may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the bond fund established to pay the principal of and interest on the Bonds. Upon agreement between the City and the successful bidder for the Bonds, the Clerk-Treasurer may be designated as the Registrar and Paying Agent, and, in that case, shall be charged with all responsibilities of a Registrar and Paying Agent.

(d) The principal of the Bonds shall be payable at the principal corporate trust office of the Paying Agent. Interest on the Bonds shall be paid by check mailed by first class mail one business day prior to the interest payment date to the registered owner, as of the fifteenth day of the month immediately preceding the interest payment date ("Record Date"), to 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 such registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by

2:30p.m. (New York City time). All payments on the Bonds shall be made in any lawful money of the United States of America, which on the date of such payment shall be legal tender for the payment of public and private debts.

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

(f) The Bonds shall bear an original date which shall be their issue date and each Bond shall also bear the date of its authentication. Bonds authenticated on or before the Record Date immediately preceding the first interest payment date shall be paid interest from the original date. Bonds authenticated thereafter shall be paid interest from the interest payment date to which interest has been paid immediately preceding the date of authentication of such Bonds unless the Bonds are authenticated after the Record Date and on or before the corresponding interest payment date, in which case interest thereon shall be paid from such interest payment date. If at the time of authentication of any Bond interest is in default thereon, that Bond shall bear interest from the date to which interest has been paid in full.

(g) Each of the Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor, and the seal of the City, if any, shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Clerk-Treasurer. Those officials, by the signing of the Signature and No Litigation Certificate and the Bonds, respectively, shall adopt as and for their own proper signatures their signatures appearing on the Bonds. If any officer of the City whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Any Bonds may be executed and attested on behalf of the City by such officer as at the time of the execution of such Bonds shall be duly authorized or hold the proper office of the City although at the date borne by the Bonds or at the date of delivery of the Bonds such officer may not have been so authorized or have held such office. The Bonds shall be authenticated with the manual signature of an authorized representative of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon shall have been so executed. Subject to registration provisions, the Bonds shall be negotiable under the laws of the State of Indiana.

(h) The Bonds of this issue are not subject to optional redemption prior to maturity.

Any Bonds issued as term bonds, upon election of the successful bidder, shall be subject to mandatory sinking fund redemption on January 1 and July 1 at 100% of face value in accordance with the maturity schedule hereinafter determined in accordance with paragraph (c). The Registrar shall credit against the mandatory sinking fund requirement for any term bonds, and any corresponding mandatory redemption obligation, in the order determined by the City, any term bonds maturing on the same date which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the City and not theretofore applied as a credit against any redemption obligation. Each term bond so delivered or canceled shall be credited by the Registrar at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date for that term bond. Any excess of such amount shall be credited on future redemption obligations, and the principal amount of that term bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced.

Each Five Thousand Dollars (\$5,000) (or other minimum denomination) principal amount shall be considered a separate Bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called shall be selected by lot by the Registrar. Notice of redemption shall be mailed to the address of the registered owner as shown on the registration records of the Registrar, as of the date which is forty-five (45) days prior to the date fixed for redemption, not less than thirty (30) days prior to such redemption date, unless notice is waived by the owner of the Bond or Bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease and the Bonds will no longer be deemed outstanding under this ordinance on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price, including accrued interest and redemption premium, if any, to the redemption date, on the date so named. Failure to give such notice by mailing, or any defect in such notice, with respect to any Bond shall not affect the validity of any proceedings for redemption of other Bonds.

If the Bonds are not presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, including accrued interest to the date of such payment or redemption, and thereafter the registered owner shall look only to the funds so deposited in trust with the Paying Agent for payment, and the City shall have no further obligation or liability in respect thereto.

(i) The City has determined that it may be beneficial to the City to have the Bonds held by a central depository system pursuant to an agreement between the City and The Depository Trust Company, New York, New York ("Depository Trust Company") and have transfers of the Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Bonds may be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. In such case, upon initial issuance, the ownership of such

Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the City and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the City to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The City and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the City's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the City of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the City to the Depository Trust Company.

Upon receipt by the City of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the City kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in

whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this ordinance.

If the City determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the City may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the City and the Registrar to do so, the Registrar and the City will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause the Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the City indemnification for all costs and expenses associated with such printing. In connection with any notice or other communication to be provided to bondholders by the City or the Registrar with respect to any consent or other action to be taken by bondholders, the City or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. So long as the Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the City and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this ordinance and the City and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

Section 2. Form of Bond. The form of the Bonds shall be substantially as follows:

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

issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

NO. _____

STATE OF INDIANA

COUNTY OF BOONE

CITY OF LEBANON, INDIANA
GENERAL OBLIGATION BONDS OF 201__[, SERIES 201__]

INTEREST	MATURITY	ORIGINAL	AUTHENTICATION	
<u>DATE</u>	<u>DATE</u>	<u>RATE</u>	<u>DATE</u>	<u>CUSIP</u>

REGISTERED OWNER:

PRINCIPAL SUM: _____ (\$)

The City of Lebanon, Indiana (“City”), acknowledges itself indebted, and for value received hereby promises to pay, to the Registered Owner or registered assigns, the Principal Sum [set forth above on the Maturity Date set forth above][as set forth on Exhibit A attached hereto] (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon until the City’s obligation with respect to the payment of the Principal Sum shall be discharged at the rate per annum specified above from the interest payment date immediately preceding the date of authentication of this bond unless this bond is authenticated on or before _____ 1, 20__, in which case interest shall be paid from the Original Date or unless this bond is authenticated between the fifteenth day of the month preceding an interest payment date and the interest payment date, in which case interest shall be paid from such interest payment date. Interest shall be payable on January 1 and July 1 each year, commencing _____ 1, 20__.

The principal of this bond is payable at the principal office of _____, in the _____ of _____, _____ (“Paying Agent” or “Registrar”). Interest on this bond shall be paid by check mailed by first class mail one business day prior to the interest payment date, to the Registered Owner, as of the fifteenth day of the month immediately preceding the interest payment date, to the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the Registered Owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received

at the depository by 2:30p.m. (New York City time). All payments on this 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 full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and the interest on this bond according to its terms. The City covenants that it will cause a property tax for the payment of the principal of and interest on this bond to be levied, collected, appropriated and applied for that purpose as set forth in IC 6-1.1-18.5-8. The bonds are subject to IC 6-1.1-20.6 regarding certain tax credits and the State intercept of funds to pay debt service on the Bonds.

This bond is [the only] one of an authorized issue of bonds of the City designated "General Obligation Bonds of 20__[, Series 20_]” [, issued in series] aggregating _____ Dollars (\$) [for this series]; numbered consecutively from 1 upward; issued for the purpose of procuring funds to be applied on the cost of the _____ and incidental expenses in connection therewith, which bonds are issued pursuant to an ordinance adopted by the Common Council of the City, on the ____ day of _____, 20__ (“Ordinance”), authorizing the issuance and sale of bonds of the City, and under the authority of Indiana law, including, without limitation, Indiana Code 36-4-6-19 and Indiana Code 6-1.1-20, as in effect on the date of issuance of this bond.

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

The City has designated the bonds as qualified tax-exempt obligations to qualify [this bond] the bonds for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended and in effect on the issue date of the bonds, relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

The bonds of this issue are not subject to optional redemption.

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

<u>Year</u>	<u>Term Bond</u>	<u>Amount</u>
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*Final Maturity]

Each _____ (\$ _____) principal amount shall be considered a separate bond for purposes of redemption. If less than an entire maturity is called for redemption, the bonds to be called shall be selected by lot by the Registrar.

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Registrar, as of the date which is forty-five (45) days prior to the date fixed for redemption, not less than thirty (30) days prior to such redemption date, unless said notice is waived by the registered owner of this bond. Any notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price, including interest accrued to the redemption date, on the date so named. Failure to give such notice by mailing, or any defect in such notice, with respect to any bond shall not affect the validity of any proceedings for redemption of other bonds.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such bond or the redemption price, as the case may be, including accrued interest to the date of such payment or redemption, and thereafter the Registered Owner shall look only to the funds so deposited in trust with that bank for payment, and the City shall have no further obligation or liability in respect thereto.

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

THE OWNER OF THIS BOND, BY THE ACCEPTANCE OF THIS BOND HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The bonds are subject to defeasance prior to redemption or payment as provided in the Ordinance. The Ordinance may be amended without the consent of the owners of the bonds as provided in the Ordinance if the Common Council in its sole discretion, determines 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 [\$5,000 or integral multiples thereof] [\$100,000 and integral multiples of \$5,000 in excess thereof] and not exceeding the aggregate principal amount of the bonds maturing in such year.

It is hereby certified, recited and declared 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; that this bond and the total issue of the bonds is within every limit of indebtedness as prescribed by the constitution and laws of the State of Indiana.

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

IN WITNESS WHEREOF, the City of Lebanon, Indiana, has caused this bond to be executed in the name of the City by the manual or facsimile signature of its Mayor, the seal of the City, or a facsimile thereof to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of the Clerk-Treasurer.

CITY OF LEBANON, INDIANA

By: _____
Mayor

(SEAL)

ATTEST:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is [the only] one of the bonds described in the within mentioned Ordinance.

_____, as Registrar

By: _____
Authorized Representative

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ [PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____] the within bond and does hereby constitute and appoint _____, attorney, to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

(Registered Owner)

Signature guaranteed:

<p>NOTICE: The signature(s) to 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 whatsoever.</p>	<p>NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.</p>
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The following abbreviations, when used in the inscription of the face within bond shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common
 TEN ENT. as tenants by the entireties
 JT TEN. as joint tenants with right of survivorship and not as tenants
 m common

UNIF.TRAN.MIN.ACT _____ Custodian

(Cust) (Minor)
 under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in list above

(end of bond form)

Section 3. Sale of Bonds; Official Statement. (a) Prior to the sale of the Bonds, the Clerk-Treasurer shall cause to be published either: (i) a notice of such sale two (2) times at least one (1) week apart in the *Lebanon Reporter*, with the first publication occurring at least fifteen (15) days prior to the sale date and the second publication occurring at least three (3) days prior to the sale date; or (ii) a notice of intent to sell bonds in the *Lebanon Reporter*, and in the *Court & Commercial Record*, all in accordance with IC 5-1-11 and IC 5-3-1. The Council hereby authorizes and approves the publication of such notice which states the purpose for which the Bonds are being issued, the total amount of the Bonds, the maximum rate of interest on the Bonds, the time and place of payment, the terms and conditions on which bids will be received and the sale made, and such other information as the Clerk-Treasurer, upon advice of counsel deemed necessary. The notice may provide, among other things, that the successful bidder shall be required to submit a certified or cashier's check or a wire transfer of funds in the amount of 1% of the principal amount of the Bonds described in the notice to guarantee performance on the part of the bidder within twenty-four hours of the award ("Deposit"). If 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 the Deposit and the proceeds thereof

shall become the property of the City and shall be considered as its liquidated damages on account of such default.

All bids for the Bonds shall be sealed and shall be presented to the Clerk-Treasurer at his or her office, or at the office of the City's municipal advisor on behalf of the Clerk-Treasurer. The Clerk-Treasurer, or the City's municipal advisor on behalf of the Clerk-Treasurer, shall continue to receive all bids offered until the hour on the day fixed in the notice, at which time and place she, or the City's municipal advisor on behalf of the Clerk-Treasurer, shall open and consider the bids. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding four percent (4%) or such lower maximum rate set forth in the notice, and such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-hundredth (1/100) of one percent (1%). The Clerk-Treasurer shall award the Bonds to the highest responsible and qualified bidder. The highest bidder shall be the one who offers the lowest net interest cost to the City, computing the total interest on all of the Bonds to the maturities and adding thereto the discount bid, if any, and deducting therefrom the premium bid, if any. The Clerk-Treasurer shall have full right to reject any and all bids. If no acceptable bid is received at the time fixed in the notice for sale of the Bonds, the Clerk-Treasurer shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed thirty (30) days, without re-advertising, but during such continuation, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for such sale in the notice. No conditional bid or bid for less than 99% of the face amount of the Bonds will be considered.

Prior to the delivery of the Bonds, the Clerk-Treasurer shall obtain a legal opinion as to the validity of the Bonds, as the case may be, from Krieg DeVault LLP, bond counsel, of Carmel, Indiana, and shall furnish this opinion to the purchaser the Bonds. The cost of this opinion and the services of the City's municipal advisor shall be considered as part of the costs incidental to these proceedings and may be paid out of proceeds the Bonds.

(b) The City shall obtain an investment letter from the purchasers of the Bonds in a form which satisfies the federal and state securities laws applicable to such Bonds.

Section 4. Preparation of Bonds. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Clerk-Treasurer are hereby authorized and directed to execute the Bonds in a form and manner provided in this ordinance.

Section 5. Defeasance. If, when the Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or 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 then outstanding or any portion thereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, if any, then and in that case the Bonds

issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of taxes to be levied upon all property in the City.

Section 6. Deposit and Application of Bond Proceeds; Surplus to Bond Payment Fund. The Clerk-Treasurer is hereby authorized and directed to deposit the proceeds of the Bonds in a separate fund ("Bond Proceeds Fund") to pay for: (1) the cost of the Project and all other costs and expenses incurred in connection with the Project; and (2) costs of issuance of the Bonds. Except as described in this Section, the Bond Proceeds Fund may not be used for any other purpose. The Bond Proceeds Fund shall, in accordance with IC 5-13, be deposited, at interest, with the depository or depositories of other public funds of the City, and all interest collected on it belongs to the fund. Any surplus remaining from the proceeds of the Bonds after all costs and expenses are fully paid shall, in accordance with IC 5-1-13, be paid into and become a part of the City's Bond Payment Fund for the Bonds or to reduce the rate or amount of ad valorem property taxes imposed by the City.

Section 7. Covenant to Levy Tax; Bond Payment Fund. The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and the interest on the Bonds according to their terms. In order to provide for the payment of the principal of and interest on the Bonds, there shall be levied in each year upon all taxable property in the City, real and personal, and collected a tax in an amount and in such manner sufficient to meet and pay the principal of and interest on the Bonds as they become due, and the proceeds of this tax are hereby pledged solely to the payment of the Bonds. Such tax shall be deposited first, before any other deposits of tax revenues by the City, into a separate bond fund ("Bond Payment Fund") and used to pay the principal of and interest on the Bonds, when due, together with any fiscal agency charges. Notwithstanding any other provision of this ordinance, the City will direct the Registrar and Paying Agent that upon any default or insufficiency in the payment of principal of and interest on the Bonds as provided in this ordinance, the Registrar will immediately, without any direction, security or indemnity, file a claim with the Treasurer of the State of Indiana for an amount equal to principal and interest in default and consents to the filing of any such claim by a bondholder in the name of the Registrar for deposit with the Registrar. If the Clerk-Treasurer is designated as the Registrar and Paying Agent, the City covenants, under IC 6-1.1-20.6-10, to determine if the Bond Payment Fund has sufficient funds to pay the principal of and interest on the Bonds at least five (5) days before such payments are due. If the Bond Payment Fund is not sufficient because of the operation of the tax credits granted under the provisions of IC 6-1.1-20.6, the City agrees to the following:

(a) The Clerk-Treasurer shall determine or cause to be determined the amount of the deficiency in the Bond Payment Fund ("Deficiency"); and

(b) The Deficiency shall be immediately reported and a claim filed by the City with the Treasurer of the State of Indiana for an amount equal to such Deficiency.

Section 8. Tax Covenants and Representations. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of Bonds, as the case may be, and the Regulations in effect and applicable to the Bonds on the date of

issuance of the Bonds (collectively, "Code") and as an inducement to purchasers of the Bonds, the Council represents, covenants and agrees that:

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

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

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

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

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

(f) The City will not take any action nor fail to take any action with respect to the 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. The City covenants and agrees

not to enter into any contracts or arrangements which would cause the Bonds to be treated as private activity bonds under Section 141 of the Code.

(g) It shall 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.

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

(i) The City represents that:

(1) The City is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability that, when collected, may be used for the general purposes of the City;

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

(3) At least 95% of the net proceeds of the Bonds will be used for local governmental activities of the City or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the City;

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

(5) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the City, and all entities subordinate to the City during 2019 does not exceed \$10,000,000; and

(6) The City will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2019. Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

(7) The City will rebate any arbitrage profits to the United States in accordance with the Code.

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

Section 9. Continuing Disclosure. If necessary to sell the Bonds, the Mayor and the Clerk-Treasurer are hereby authorized and directed to complete, execute and attest on behalf of the City a Continuing Disclosure Undertaking Agreement (“Undertaking Agreement”) that complies with the requirements of the Rule. Notwithstanding any other provisions of this ordinance, failure of the City to comply with the Undertaking Agreement shall not be considered an event of default under the Bonds or this ordinance.

Section 10. Debt Limit Not Exceeded. The City represents and covenants that the Bonds herein authorized, when combined with other outstanding indebtedness of the City at the time of issuance of the Bonds, will not exceed any applicable constitutional or statutory limitation on the City’s indebtedness.

Section 11. Additional Appropriation. There is hereby appropriated the sum of One Million Dollars (\$1,000,000), out of the proceeds of the Bonds, together with all investment earnings thereon, for the purpose of providing funds to pay the costs of the Project, including all costs incurred in connection with issuing and selling the Bonds, as provided in this ordinance. Such appropriation shall be in addition to all appropriations provided for in the existing budget and tax levy and shall continue in effect until the completion of the described purposes.

Section 12. 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 13. Repeal of Conflicting Provisions. All ordinances, or parts thereof, in conflict with the provisions of this ordinance, are, to the extent of such conflict, hereby repealed or amended, and this ordinance shall be in immediate effect from and after is adoption.

Section 14. Amendments to Ordinance. This ordinance may, from time to time hereafter, be amended without the consent of the owners of the Bonds, if in the sole discretion of the Council, such amendment shall not adversely affect the rights of the owners of any of the Bonds.

Section 15. Effective Date. This ordinance shall be in full force and effect from and after its adoption and the procedures required by law.

[Remainder of page intentionally left blank.]

PASSED AND ADOPTED this 12th day of November, 2019

LEBANON COMMON COUNCIL

Voting For

Voting Against

Abstain

Keith Campbell

Keith Campbell

Keith Campbell

Keith Campbell

John Copeland

John Copeland

John Copeland

John Copeland

Sierra Messenger

Sierra Messenger

Sierra Messenger

Sierra Messenger

Morris Jones

Morris Jones

Morris Jones

Morris Jones

Mike Kincaid

Mike Kincaid

Mike Kincaid

Mike Kincaid

Dick Robertson

Dick Robertson

Dick Robertson

Dick Robertson

Brent Wheat

Brent Wheat

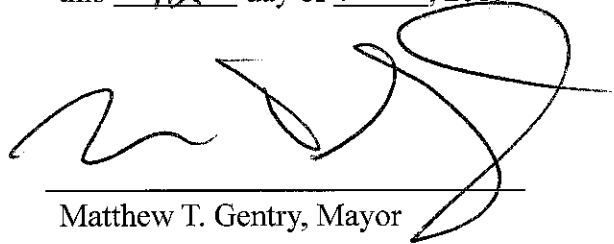
Brent Wheat

Brent Wheat

I hereby certify that ORDINANCE 2019-12 was delivered to the Mayor of Lebanon on the 12th day of November, 2019, at 8:12 p.m.

Lynthis Thrine *Act Deputy Clerk-Treasurer*
Tonya Thayer, Clerk-Treasurer

I hereby APPROVE ORDINANCE 2019-12
this 12 day of November, 2019


Matthew T. Gentry, Mayor

I hereby VETO ORDINANCE 2019-12
this _____ day of _____, 2019

Matthew T. Gentry, Mayor

ATTEST:

Tonya Thayer, Clerk-Treasurer