

Both principal and interest of this bond are payable in lawful money of the United States of America at The Boone County State Bank in the City of Lebanon, Indiana, or at the option of the holder, at the Indiana National Bank, Indianapolis, Indiana, or the City National Bank and Trust Company, Chicago, Illinois.

This bond is one of an authorized issue of One Thousand Two Hundred Fifty (1,250) bonds of the City of Lebanon, of like date, tenor and effect, except as to interest rate, numbering and dates of maturity, in the total amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00), numbered from 1 to 1,250, inclusive, issued for the purpose of providing funds to pay the cost of additions, alterations, extensions and improvements to the present existing sewage works, as authorized by an ordinance adopted by the Common Council of Lebanon on the 15th. day of July, 1957, entitled "An Ordinance concerning the ~~construction and~~ making by the City of Lebanon, Indiana, of additions, alterations, extensions and improvements to the present existing sewage works, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said bonds, and other matters connected therewith", and in strict compliance with the provisions of Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and the acts amendatory thereof and supplemental thereto.

Pursuant to the provisions of said Act and said ordinance, the principal and interest of this bond and all other bonds of said issue, and any bonds hereafter issued ranking on a parity therewith, are payable solely from the Sewage Works Sinking Fund (created by said ordinance) to be provided from the net revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the City of Lebanon, including the present existing works of said City, the works constructed, made or acquired by the use of the proceeds of this bond and the issue of which it is a part, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. This bond shall not constitute an indebtedness of the City of Lebanon within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this bond or the interest thereon except from said special fund provided from said net revenues.

The City of Lebanon irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal and interest of the bonds issued on account of the construction of said additions, alterations, extensions, and improvements to the present existing sewage works, of which this is one, and any bonds hereafter issued ranking on a parity therewith, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, and for the payment of the sums required to be paid into said Sinking Fund under the provisions of said Act. In the event the City of Lebanon, 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 holder of this bond shall have all of the rights and remedies provided for in said Chapter 61, Acts of 1932 (Special Session), and the acts amendatory thereof and supplemental thereto, 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 thereon.

The City of Lebanon further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of said works as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of said works as the same are payable, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said Sinking Fund. Such required payments shall constitute a first charge upon all the net revenues of said works.

This bond and all other bonds of said issue shall have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the State of Indiana. This bond may be registered as to principal at the office of the Clerk-Treasurer in the City of Lebanon, Indiana, in the name of the owner hereof, and such registration noted hereon by said Clerk-Treasurer. Thereafter no transfer hereof shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon, but this bond may be discharged from registration by being in like manner transferred to bearer and may again from time to time be registered or transferred to bearer as before. Such registration shall not restrict or affect the negotiability of the interest coupons hereto attached by delivery only, but such interest coupons shall always be payable to bearer.

The bonds of this issue maturing on December 1, 1968, and thereafter, are redeemable at the option of the City, in whole or in part, on June 1, 1968, or any interest payment date thereafter, in their inverse numerical order, at face value together with the following premiums: five per cent (5%) if redeemed on June 1, 1968, or thereafter on or before December 1, 1972; four per cent (4%) if redeemed on June 1, 1973, or thereafter on or before December 1, 1977; three per cent (3%) if redeemed on June 1, 1978, or thereafter on or before December 1, 1982; two per cent (2%) if redeemed on June 1, 1983, or thereafter prior to maturity; plus in each case accrued interest to the date fixed for redemption. Notice of such redemption shall be published one time at least thirty (30) days prior to the date fixed for redemption.