

things, that each bid shall be accompanied by a certified or cashier's check in the amount of Ten Thousand Dollars (\$10,000.00) to guarantee performance on the part of the bidder, 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; also, that bidders for said 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 ($1/8$) of one per cent (1%); not more than three different interest rates shall be named but a rate may be repeated without being considered a different rate; the notice shall set forth that the opinion of Ross McCord Ice & Miller, bond counsel of Indianapolis, Indiana, approving the legality of said bonds, will be furnished to the purchaser at the expense of the City, and that no conditional bids will be considered.

The bonds shall be awarded by the Clerk-Treasurer to the highest qualified bidder who has submitted his bid in accordance with the terms of this ordinance and the notice of sale. The highest bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the bonds to their maturities and deducting therefrom the premium bid, if any. The right to reject any and all bids shall be reserved. In the event an acceptable bid is not received on the date fixed in the notice, the Clerk-Treasurer shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days, but during such continuation no bid shall be accepted which is lower than the highest bid offered at the advertised sale.

Sec. 8. The accrued interest and premium received at the time of the delivery of the bonds, if any, together with such amount of the proceeds of the bonds as shall equal the accruing interest on the bonds for a period of three (3) months shall be deposited in the Sewage Works Sinking Fund hereinafter created. The remaining proceeds from the sale of said bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Lebanon, Sewage Works Construction Account". All funds deposited to the credit of said Sewage Works Sinking Fund or Sewage Works Construction Account shall be deposited, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing, and investing of public funds including particularly Chapter 9 of the Acts of 1945. The funds in said special account or accounts shall be expended only for the purpose of paying the cost of the works, as defined in Sec. 7 of said Chapter 61 of the Acts of 1932, as amended or as otherwise required by said Act. Any balance or balances remaining unexpended in such special account or accounts after completion of the works, which are not required to meet unpaid obligations incurred in connection with such construction, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Sec. 9. There is hereby created a sinking fund for the payment of the interest on and principal of the revenue bonds issued on account of the construction and making of said additions, alterations, extensions and improvements to the present existing sewage works, and any bonds hereafter issued ranking on a parity therewith, and the payment of any fiscal agency charges in connection with the payment of the bonds and interest coupons, which fund shall be designated as "Sewage Works Sinking Fund". There shall be set aside and paid into said Sinking Fund monthly, as available, a sufficient amount of the net revenues of said sewage works, as hereinbefore defined, for the payment of (a) the interest on all bonds 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 payable from the revenues of said works as they fall due, and (d) an additional amount as a margin of safety and for the payment of premiums upon bonds redeemed by call or purchase, 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. The monthly payments into said sinking fund shall be in an amount equal to at least one-twelfth ($1/12$) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as said fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof.

In no event shall any part of the Sewage Works Sinking Fund be used in calling bonds for redemption prior to maturity, except to the extent that the amount then in said Sinking Fund exceeds the amount required to pay the bonds which will mature within a period of twelve (12) calendar months next following the date of such redemption, together with all interest on the bonds payable in said period. Any such excess of funds above said required level may also be used in purchasing outstanding bonds at a price less than the then applicable redemption price, if first approved by the Board of Public Works and Safety. Moneys in said Sinking Fund shall not be used for any other purpose whatsoever except as stated in this section.

Sec. 10. In the event all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated in said fund an amount sufficient to meet the requirements of said fund for the then next succeeding twelve (12) calendar months, and funds in an amount sufficient for operation, repair and maintenance of the works for a like period have been accumulated and reserved for that purpose, then any excess revenues shall be placed in a fund to be designated as "Sewage Works Depreciation Fund" to the extent and in the manner hereinafter provided. Out of such excess revenues there shall be deposited in said Depreciation Fund on or before the first day of each calendar month not less than the sum of Seven Hundred Twenty-Five Dollars (\$725.00) until such time as said Depreciation Fund shall contain the sum of Eighty-Seven Thousand Dollars (\$87,000.00). After the accumulation of said amount in said fund no further deposits need be made therein except to the extent necessary