

(____%) per annum, payable semi-annually on the first days of January and July in each year, beginning on January 1, 1980, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal and interest of this bond are payable in lawful money of the United States of America, at the _____, in the City of Lebanon, Indiana, or, at the option of the holder, at the principal office of _____, in the City of Indianapolis, Indiana.

This bond is one of an authorized issue of nine hundred fifty-two (952) bonds of the City of Lebanon, of like date, denomination, tenor and effect, except as to rates of interest and dates of maturity, in the total amount of Four Million Seven Hundred Sixty Thousand Dollars (\$4,760,000), numbered consecutively from 1 to 952 inclusive, issued for the purpose of providing funds to pay the cost of extensions and additions to the municipally owned waterworks of said City pursuant to an ordinance passed by the Common Council of said City on the ____ day of _____, 1978, entitled "An Ordinance concerning the acquisition and construction of extensions and additions to the waterworks owned and operated by the City of Lebanon, Indiana, authorizing the issuance of revenue bonds to provide for the cost thereof, and matters connected therewith,; and in strict compliance with the provisions of the governing statutes, particularly Chapter 155 of the Act of the General Assembly of the State of Indiana for the year 1929, and all acts amendatory thereof or supplemental thereto.

The principal and interest of this bond and all other bonds of said issue, and any bonds ranking on a parity therewith, are equally and ratably secured by and constitute a first charge upon fifty percent (50%) of the gross income and revenues of said waterworks as the same now exist or may hereafter be improved and extended, which percentage of such income and revenues is to be deposited in a special fund to be known as the "Bond and Interest Redemption Account", which as been duly created by said ordinance. The City shall not be obligated to pay said bonds or the interest thereon except from said 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.

The bonds of this issue maturing on July 1, 1989, and thereafter, are redeemable at the option of the City, in whole or in part, on January 1, 1989, or any interest payment date thereafter, in inverse chronological order of maturity, and by lot within a maturity, at face value, together with the following premiums:

5% if redeemed on January 1, 1989, or thereafter on or before July 1, 1994;

2% if redeemed on January 1, 1995, or thereafter prior to maturity;

plus in each case accrued interest to the date fixed for redemption; provided notice of such redemption shall be given at least thirty (30) days prior to the date fixed therefor by one publication in a newspaper of general circulation published in the City of Lebanon, Indiana, a newspaper or financial journal of general circulation published in the City of Indianapolis, Indiana, and a financial journal of general circulation published in the Borough of Manhattan, City and State of New York, and a like notice be sent by mail to the holders of such bonds as are then registered. Interest on the bonds so called for redemption shall cease on the redemption date fixed in said notice, if sufficient funds are available at the place of redemption to redeem the bonds when presented in accordance with the terms thereof. The bonds so redeemed prior to maturity shall be surrendered for cancellation, together with unmatured interest coupons appurtenant thereto.

The City covenants that it will, to the fullest extent permitted by law, fix, maintain and collect an aggregate of rates and charges for the services rendered by said waterworks which will be sufficient to pay all costs of operation and maintenance of said waterworks, to provide a proper and adequate depreciation account, and to create and maintain the sinking fund required for the payment of all revenue bonds which by their terms are payable from the revenues of said waterworks, and that it will, in all other respects, faithfully comply with all of the provisions of the governing statutes pursuant to which this bond is issued. In the event the City shall make any default in the payment of the principal or interest on this bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this bond and the interest hereon.

This bond and all other bonds of said issue shall, in the hand of bona fide holders, have all of the qualities of negotiable instruments under the laws of the State of Indiana. This bond may be registered at the office of the Clerk-Treasurer as to principal only, in the name of the owner, in the manner and with the effect provided in said ordinance, but unless registered shall pass by delivery.

If any bond or interest coupon shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust an amount sufficient to pay such bond or interest coupon or the redemption price thereof, as the case may be, and thereafter the holder shall look only to the funds so deposited in trust with said bank for payment and neither the City nor its waterworks shall have any further obligation or liability in respect thereto.

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.

IN WITNESS WHEREOF, the City of Lebanon, in Boone County, State of Indiana, has caused this bond to be signed in its corporate name by its duly qualified and acting Mayor, its corporate seal to be hereunto affixed and attested by its duly qualified and acting Clerk-Treasurer, and the interest coupons hereto attached to be executed by placing thereon the facsimile signatures of said Mayor and Clerk-Treasurer all as of the first day of _____, 197__.

CITY OF LEBANON

By _____
Mayor

Attest:

Clerk-Treasurer