

Coupon No. _____ On _____ 1, 19____, (unless the bond herein mentioned shall be subject to and shall have been called for redemption prior to maturity as therein provided), the City of Lebanon, Indiana, will pay to bearer at _____, in the City of Lebanon, Indiana, or, at the option of the holder, at the principal office of _____, in the City of Indianapolis, Indiana, out of its waterworks Bond and Interest Redemption Account, the amount shown hereon in lawful money of the United States of America, being the interest then due on its Waterworks Revenue Bond of 1979, dated _____ 1, 1979, No. _____.

CITY OF LEBANON
By _____ (facsimile)
Mayor

(facsimile)
Clerk-Treasurer

REGISTRATION ENDORSEMENT

This bond can be registered only at the office of the Clerk-Treasurer in the City of Lebanon, Indiana. No writing hereon except by the Clerk-Treasurer.

Date of Registry	In Whose Name Registered	Clerk-Treasurer
_____	_____	_____
_____	_____	_____

Sec. 7. The Clerk-Treasurer is hereby authorized and directed to have said bonds and coupons prepared, and the Mayor and Clerk-Treasurer are hereby authorized and directed to execute said bonds and the coupons to be attached thereto in the form and manner hereinbefore provided. The Clerk-Treasurer shall sell said bonds at public sale. Prior to the sale of the bonds the Clerk-Treasurer shall cause to be published a notice of sale once each week for two weeks in the Lebanon Reporter, and one time in a newspaper or financial journal published in the City of Indianapolis, Indiana. Said notice, or a summary of the terms thereof, may in the discretion of the Clerk-Treasurer be published in The Bond Buyer, published in the City and State of New York. The date fixed for the sale shall not be earlier than seven (7) days after the last of said publications. The bond sale notice shall state the time and place of sale, the total amount of bonds, the maximum rate of interest thereon, the maturities thereof, the purpose for which the bonds are being issued, the terms and conditions on which bids will be received and the sale made, and shall set out such other information as the Clerk-Treasurer, acting on the advice of the attorneys employed by the City, shall deem necessary.

All bids for said bonds shall be sealed and shall be presented to the Clerk-Treasurer at his office. Bidders shall be required to name the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore fixed. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-tenth (1/10) of one percent (1%), and not more than four (4) different interest rates shall be named by each bidder. A rate may be repeated without being considered a different rate. Bids specifying more than one interest rate shall also specify the amount and maturities of the bonds bearing each rate, but all bonds maturing on the same date shall bear the same rate. The interest due on any bond on any interest payment date shall be represented by a single interest coupon. The Clerk-Treasurer shall award the bonds to the highest qualified bidder. The highest bidder shall 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. No bid for less than the entire issue and for less than the par value of said bonds, including accrued interest to the date of delivery, shall be considered. The Clerk-Treasurer shall have the right to reject any and all bids, and in the event no satisfactory bids are received, the Clerk-Treasurer shall be authorized to continue the sale from day to day for a period of thirty (30) days without readvertisement; provided, however, that if said sale be continued no bid shall be accepted which is lower than the highest bid received at the time fixed for such sale in the bond sale notice.

The Clerk-Treasurer shall be authorized to obtain a legal opinion as to the validity of the bonds from Ice Miller Donadio & Ryan, Indianapolis, Indiana, acting as bond counsel for the City, and to furnish such opinion to the purchasers of the bonds. The fee of such bond counsel shall be considered as a part of the cost of the project on account of which said bonds are issued and shall be paid out of the proceeds of said bonds or out of the revenues of the waterworks.

Sec. 8. In the event it shall be hereafter determined that it is not necessary to issue all of the bonds authorized by this ordinance, or the Public Service Commission shall not approve the issuance of said total amount of bonds, the Clerk-Treasurer shall be authorized to sell and delivery a lesser amount of bonds than herein authorized. In such event the amount of the bonds authorized by this ordinance shall be deemed to be limited accordingly.

The bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City payable out of the income and revenues of the waterworks system of said City according to their tenor and effect, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for the purpose of paying the cost of construction and installation of the aforesaid extensions and additions to said waterworks and the expenses necessarily incurred in connection therewith, including the expenses incurred in connection with the issuance and sale of the bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do all acts and things which may be necessary to carry out the provisions of this ordinance.

Sec. 9. The accrued interest and premium, if any, received at the time of the delivery of the bonds shall be deposited in the Bond and Interest Redemption Account hereinbefore created. The remaining proceeds from the sale of the bonds shall be deposited in a bank or banks which are legally designated and qualified depositories for the funds of the City, in a special account or accounts separate and apart from all other bank accounts of the City to be designated as "City of Lebanon, Waterworks Construction Account". Each of such special