

in which principal and interest on said additional parity bonds are payable.

(d) To the extent required by law, the issuance of the proposed additional parity bonds and any necessary increase in water rates and charges shall have been approved by the Public Service Commission of Indiana, or such successor body as may be vested by law with authority to approve the issuance of bonds payable from the revenues of municipal waterworks and increases in rates and charges for the services afforded thereby.

Parity bonds may also be issued to refund less than all of the then outstanding bonds issued pursuant to this ordinance or ranking on a parity therewith, but any such refunding bonds shall be subject to the conditions in this section unless the bonds being refunded mature within three (3) months of the date of such refunding and no other funds are available to pay such maturing bonds. In computing the maximum annual interest and principal requirements pursuant to subsection (b), the interest on and principal of the refunding bonds shall be substituted for the interest on and principal of the bonds being refunded.

Sec. 13. For the purpose of further safeguarding the interests of the holders of the bonds, it is specifically provided as follows:

(a) All construction contracts shall be let to responsible contractors who shall be required to furnish construction bonds running to the City of Lebanon, in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of such contracts in accordance with their terms, and such contractors shall be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts.

(b) The extensions and additions shall be contracted for and constructed to the approval of Henry B. Steeg & Associates Division, Consulting Engineers of Indianapolis, Indiana, now employed by the City, or such other consulting engineers as may hereafter be employed by the City. All estimates for work done and material furnished shall first be checked by the consulting engineers before being approved by the City.

(c) The City shall, at all times, maintain said waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of the waterworks of a kind and in an amount such as is usually carried by private companies engaged in a simillartype of business. All insurance shall be placed with responsible insurance companies qualified to do business in the State of Indiana, and any insurance proceeds collected shall be used in replacing the property destroyed or damaged, or if not needed for that purpose, shall be deposited in the Bond and Interest Redemption Account.

(e) So long as any of the bonds herein authorized are outstanding, the City shall not mortgage, pledge or otherwise encumber its waterworks or any part thereof, and shall not sell, lease or otherwise dispose of any portion thereof except such equipment which may become worn out or obsolete, and shall be replaced, and except such real estate which shall no longer be necessary for use; nor shall the City execute or issue any additional bonds or other obligations pledging any portion of the revenues of said waterworks, except as specifically provided in Sec. 12 of this ordinance, unless the same be made subordinate and junior in all respects to the bonds herein authorized are redeemed and cancelled coincidentally with the delivery of such additional bonds or other obligations.

(f) The provisions of this ordinance shall be construed to create a trust in the proceeds derived from the sale of the bonds herein authorized, for the uses and purposes herein set forth, and so long as any of said bonds are outstanding, the provisions of this ordinance shall also be construed to create a trust in the fixed proportion of the revenues of the waterworks herein directed to be set apart and paid into the Bond and Interest Redemption Account for the uses and purposes of said account as in this ordinance set forth.

(g) The provisions of this ordinance shall constitute a contract by and between the City and the holders of the bonds herein authorized, all of the terms of which shall be enforceable in law or in equity, and after the issuance of the bonds this ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders of said bonds, nor shall the Common Council of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of such holders as set forth in the bonds or this ordinance so long as any of the bonds or the interest thereon remain unpaid. The holders of the bonds shall have all of the rights, remedies and privileges, either expressly set forth in the provisions of Chapter 155 of the Acts of the Indiana General Assembly for the year 1929, and all acts amendatory thereof and supplemental thereto, or implied therein, including the right to compel the collection of sufficient rates and charges to provide for the payment of the bonds issued hereunder and the interest thereon.

(h) None of the provisions of this ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of said bonds and the revenues derived from the operation of said waterworks system, and said bonds shall not in any respect constitute a general obligation of the City in its corporate capacity. Sums paid and to be paid by the City to its waterworks as hydrant rental and for water furnished shall be deemed to be payments by the City for services rendered. The revenues so received by the waterworks shall be deemed revenues derived from the operation of the waterworks.

Sec. 14. Subject to the terms and provisions contained in this section, and not otherwise, the holders of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds issued pursuant to this ordinance and then outstanding shall have the right from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Common Council of the City of Lebanon of such ordinance or ordinances supplemental hereto, as shall be deemed necessary or desirable by the City of Lebanon for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any bond or the redemption premium or the