

thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. There shall be deposited into the Debt Service Reserve Account, hereby created on the day of delivery of the bonds, from funds on hand, the amount of \$355,100. The balance to be maintained in the Debt Service Reserve Account which is allocable to the bonds issued hereunder shall equal, but not exceed, the least of (i) the maximum annual debt service on the bonds (ii) 125% of average annual debt service on the bonds or (iii) 10% of the proceeds of the bonds plus a minor portion as defined in the Internal Revenue Code of 1986, as amended ("Reserve Requirement"). The Debt Service Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on outstanding bonds, and the moneys in the Debt Service Reserve Account shall be used to pay current principal and interest on outstanding bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Debt Service Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Debt Service Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding bonds, then such depletion of the balance in the Debt Service Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Debt Service Reserve Account in excess of the Reserve Requirement may be used for the redemption of then outstanding bonds which are then callable, or for the purchase of outstanding bonds including accrued interest, or shall be transferred to the Sewage Works Improvement Fund.

Sec. 12. After meeting the requirements of the Operation and Maintenance Fund, and the Sinking Fund, any excess revenues may be transferred or credited to the Sewage Works Improvement Fund, hereby created and said Fund shall be used for improvements, replacements, additions and extensions of the sewage works. Moneys in the Sewage Works Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bond, or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Debt Service Reserve Account of the Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the sewage works.

Sec. 13. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The Operation and Maintenance Fund and the Sewage Works Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from This Sinking Fund account or accounts. All moneys deposited in the account shall be deposited, held and secured as public funds in accordance with the public depository laws of State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance.

Sec. 14. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be prepared and furnished, upon written request, to any owner of at least \$25,000 in principal amount of the bonds, not more than ninety (90) days after the close of each fiscal year, complete operating income and expense statements of the works, covering the preceding fiscal year and the balances in the several Funds and Accounts continued by this ordinance. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner of at least \$25,000 in principal amount of the bonds then outstanding shall have the right at all times to inspect the works and all records, accounts, statements, audits, reports and data of the City relating to the sewage works. Such inspections may be made by representatives duly authorized by written statement.

Sec. 15. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewage system of the City or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sinking Fund by said Act and this ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, and the requirements of the Sinking Fund.

Sec. 16. If, when the bonds issued hereunder or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the bonds and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations to principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provisions shall also be made for paying all fees and expenses for the redemption, then, and in that case the bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's sewage works.

Sec. 17. The City reserves the right to authorize and issue additional BANS at any time ranking on a parity with the BANS. The City also reserves the right to authorize and issue additional bonds payable out of the revenues of its sewage works, ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions and improve-