

AMENDED AND RESTATED
ORDINANCE NO. 1994-2

An Amended and Restated Ordinance concerning the refunding by the Town of Westport of its Sewage Works Revenue Bond of 1987; authorizing the issuance of Sewage Works Refunding Revenue Bonds of 1994 for such purpose; providing for the collection, segregation and distribution of the revenues of the sewage works and the safeguarding of the interests of the owners of the Sewage Works Refunding Revenue Bonds of 1994; other matters connected therewith; and repealing ordinances inconsistent herewith

WHEREAS, the Town of Westport (the "Town") has heretofore established, constructed and financed a municipal sewage works and now owns and operates the sewage works pursuant to IC 36-9-23, and other applicable laws; and

WHEREAS, the Town Council finds that there is now an outstanding bond issued on account of the construction of improvements to the Town's sewage works and payable out of the revenues therefrom designated "Sewage Works Revenue Bond of 1987," dated October 15, 1987 (the "Refunded Bond"), originally issued in the amount of \$376,000, now outstanding in the amount of \$370,000; and maturing annually over a period ending November 1, 2019, which Refunded Bond constitutes a second charge upon the Net Revenues (as hereinafter defined) of the sewage works, junior and subordinate to the 1965 Bonds (as hereinafter defined); and

WHEREAS, the Town Council finds that the Refunded Bond should be refunded pursuant to IC 5-1-5 to remove restrictive covenants which impede additional financing and to comply with the request of the Farmers Home Administration, the owner of the bond; that the refunding of the Refunded Bond (the "Refunding"), together with accrued interest thereon and including all costs related to the Refunding will require funds in the estimated amount of \$435,975; that the total cost of the Refunding cannot be provided for entirely out of funds of the sewage works

now on hand and the Refunding should be accomplished by the use of certain funds on hand and the issuance of sewage works refunding revenue bonds in the amount of \$375,000; and

WHEREAS, the Town Council finds that there are now outstanding certain Sewage Works Revenue Bonds of 1965 (the "1965 Bonds") dated June 1, 1965, originally issued in the amount of \$245,000, now outstanding in the amount of \$116,000; and maturing annually over a period ending November 1, 2004, which 1965 Bonds constitute a first charge upon the Net Revenues of the sewage works; and

WHEREAS, the terms and conditions of the ordinance authorizing the issuance of the now outstanding 1965 Bonds provide that additional revenue bonds may be issued on a parity with the 1965 Bonds provided certain tests are met, and the Town finds that the finances of said sewage works are not such as will enable meeting the conditions for the issuance of additional parity bonds and that, accordingly, the additional revenue bonds to be issued hereunder shall constitute a second charge upon the Net Revenues, junior and subordinate to the now outstanding 1965 Bonds; and

WHEREAS, all conditions precedent to the adoption of an ordinance authorizing the issuance of said bonds have been complied with in accordance with the provisions of IC 36-9-23 and 5-1-5, as in effect on the date the bonds are issued (collectively, the "Act"), and the terms and restrictions of this ordinance; now therefore,

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTPORT,
INDIANA THAT:

Sec. 1. Issuance of Refunding Bonds.

(a) The Town, being the owner of and engaged in operating an unencumbered sewage works supplying the Town, its inhabitants, and the residents adjacent thereto, with sewage disposal and treatment services, now finds it necessary to provide funds for refunding the Refunded Bonds to comply with the request of the Farmers Home Administration, the owner of the bond, and in order to remove restrictive covenants which impede additional financing, namely the Farmers Home Administration must provide its consent before the Town may issue additional bonds so long as it owns the Refunded Bonds and such consent cannot be obtained without completing the Refunding. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this ordinance shall be construed to mean the existing sewage works system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired.

(b) The Town shall issue its bonds, designated "Sewage Works Refunding Revenue Bonds of 1994" (the "Refunding Bonds") in an aggregate principal amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000) for the purpose of procuring funds to apply on the costs of the Refunding, the payment of costs of issuance and all other costs related to the refunding. The Town shall apply moneys currently held for the payment of debt service on the Refunded Bonds and additional funds on hand to the Refunding as provided in Section 6.

Said Refunding Bonds shall be sold at a price not less than 97.5% of the par value thereof, shall be issued in the denomination of Five Thousand Dollars (\$5,000) each or integral multiples thereof, numbered consecutively from 1 upward, dated as of the first day of the month in which they are sold or the date of delivery if sold to the Indiana Bond Bank and shall bear interest at a rate or rates not to exceed eight and one-half percent (8.5%) per annum (the exact rate or rates to be determined by bidding or through negotiation) payable semiannually on May

1 and November 1, beginning on May 1, 1995. The Refunding Bonds shall mature annually on November 1 in the years and amounts as set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1995	\$5,000	2008	\$15,000
1996	5,000	2009	20,000
1997	5,000	2010	20,000
1998	5,000	2011	20,000
1999	5,000	2012	20,000
2000	5,000	2013	25,000
2001	5,000	2014	25,000
2002	5,000	2015	25,000
2003	5,000	2016	25,000
2004	5,000	2017	25,000
2005	15,000	2018	30,000
2006	15,000	2019	30,000
2007	15,000		

All or a portion of the Refunding Bonds may be issued as one of more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities of November 1, 1996 through November 1, 2019, as determined by the successful bidder. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on dates and in the amounts consistent with the maturity schedule set forth above

(c) The Refunding Bonds of this issue maturing on or after November 1, 2005 are redeemable at the option of the Town on November 1, 2004 or any date thereafter, on thirty days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at face value, with the following premiums:

2% if redeemed on November 1, 2004, or
thereafter on or before October 31, 2005;
1% if redeemed on November 1, 2005, or
thereafter on or before October 31, 2006;
0% if redeemed on November 1, 2006, or
thereafter prior to maturity;

plus, in each case, accrued interest to the date of redemption.

If any Refunding Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Refunding Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Refunding Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Refunding Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Refunding Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Refunding Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

If less than all of the Refunding Bonds are called for redemption at one time, the Refunding Bonds shall be redeemed in inverse order of maturity, for optional redemption, and by lot within a maturity. Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some

Refunding Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Refunding Bonds for optional redemption before selecting the Refunding Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of such redemption shall be given at least thirty (30) days prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Refunding Bond. Such notice shall be mailed to the address of the registered owners as shown on the registration records of the Town as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Refunding Bonds called for redemption. The place of redemption shall be determined by the Town. Interest on the Refunding Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the principal office of the Paying Agent to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the Refunding Bonds so called for redemption shall be surrendered for cancellation.

Sec. 2. Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to contract with a qualified institution to serve as Registrar and Paying Agent for the Refunding Bonds ("Registrar" or "Paying Agent"). Said Registrar is hereby charged with the responsibility of authenticating the Refunding Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with the Registrar on the date of issuance of the Refunding Bonds, or at any later date until all the Refunding Bonds mature or are redeemed, as will enable the institution to perform the services required of a registrar and paying agent. The Clerk-

Treasurer is further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Sinking Fund established to pay the principal of and interest on the Refunding Bonds as fiscal agency charges.

If the Refunding Bonds are sold to the Indiana Bond Bank, or by the agreement of the purchaser, the Clerk-Treasurer will be designated the Registrar and Paying Agent and will be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

The principal of the Refunding Bonds shall be payable at the principal office of the Paying Agent. All payments of interest on the Refunding Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding such interest payment date, at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. All payments on the Refunding Bonds shall be made in any lawful money of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Refunding Bond shall be transferable or exchangeable only upon the books of the Town kept for that purpose at the principal office of the Registrar by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Refunding Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees

or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Town except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Town, Registrar and Paying Agent for the Refunding Bonds may treat and consider the person in whose name such Refunding Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Interest on such Refunding Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Refunding Bonds unless the Refunding Bonds are authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Refunding Bonds are authenticated on or before April 15, 1995, in which case they shall bear interest from the original date of the Refunding Bonds until the principal shall be fully paid.

Sec. 3. Execution. Each of said Refunding Bonds shall be executed in the name of the Town by the manual or facsimile signature of the President of the Town Council, attested by the manual or facsimile signature of its Clerk-Treasurer and the seal of the Town shall be affixed, imprinted or impressed to or on each of said Refunding Bonds manually, by facsimile or any other means; and said officials, by the execution of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures the facsimile signatures appearing on said Refunding Bonds. In case any officer whose signature or facsimile signature appears on the

Refunding Bonds shall cease to be such officer before the delivery of the Refunding Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Refunding Bonds shall also be authenticated by the manual signature of an authorized representative of the Registrar and no Refunding Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Said Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein.

The Refunding Bonds, and any bonds ranking on a parity with the Refunding Bonds, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a second charge, junior and subordinate to the 1965 Bonds, upon all the Net Revenues (defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the Town, including all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The Town shall not be obligated to pay the Refunding Bonds or the interest thereon except from the Net Revenues of the works, and the Refunding Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Sec. 4. Form of Refunding Bonds. The form and tenor of said Refunding Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof:

UNITED STATES OF AMERICA

No. _____

STATE OF INDIANA COUNTY OF DECATUR

Original Date Maturity Date Authentication Date Interest Rate CUSIP

TOWN OF WESTPORT
SEWAGE WORKS REFUNDING REVENUE
BOND OF 1994

REGISTERED OWNER:

PRINCIPAL SUM:

The Town of Westport (the "Town"), in Decatur County, State of Indiana, for value received, hereby promises to pay to the Registered Owner named above (the "Registered Owner") or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above (the "Principal Sum") on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon until the Principal Sum is paid at the Interest Rate per annum specified above, from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before April 15, 1995, in which case it shall bear interest from the Original Date, which interest is payable semiannually on May 1 and November 1, beginning May 1, 1995.

The principal of this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana. All payments of interest on this bond shall be paid by check mailed one business day prior to the interest payment date to the registered owner hereof, as of the fifteenth day of the month preceding an interest payment date, at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on the bond shall be made in any lawful money of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

The Town has designated the bonds as qualified tax-exempt obligations to qualify the bonds for the \$10,000,000 exception from the provisions of Section 265(b)(3) of the Internal

Revenue Code of 1986 relating to the disallowance of the deduction for interest expense allocable to tax-exempt obligations.

THE TOWN SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL REVENUE FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS A PART SHALL IN ANY RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE TOWN WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

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.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Town of Westport, in Decatur County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Town Council President and its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF WESTPORT, INDIANA

[SEAL]

By _____
President, Town Council

Attest:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Ordinance.

_____, as Registrar

By _____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the Town of Westport of like date, tenor and effect, except as to numbering, interest rates and dates of maturity in the total amount of \$375,000, numbered consecutively from 1 up; issued for the purpose of refunding a certain outstanding sewage works bond and to pay issuance expenses. This bond is issued pursuant to an ordinance adopted by the Town Council of said Town on the ____ day of _____, 1994, entitled "An Amended and Restated Ordinance concerning the refunding by the Town of Westport of its Sewage Works Revenue Bond of 1987; authorizing the issuance of Sewage Works Refunding Revenue Bonds of 1994 for such purpose; providing for the collection, segregation and distribution of the revenues of the sewage works and the safeguarding of the interests of the owners of the Sewage Works Refunding Revenue Bonds of 1994; other matters connected therewith; and repealing ordinances inconsistent herewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana Code 36-9-23 and 5-1-5 as in effect on the date the bonds are issued (collectively the "Act"), the proceeds of which bonds are to be applied solely, together with other funds described in the Ordinance, to the refunding of said outstanding sewage works bond and the incidental expenses incurred in connection therewith.

Pursuant to the provisions of said Act and said Ordinance, the principal of and interest on this bond and all other bonds of said issue and any bonds hereafter issued on a parity herewith, are payable solely from the Sewage Works Sinking Fund continued by the Ordinance to be provided from the Net Revenues (defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the Town including all additions and improvements thereto and replacements thereof subsequently constructed or acquired. This bond and the issue of which it is a part constitute a second charge upon said Net Revenues, junior and subordinate to the 1965 Bonds (as defined in the Ordinance).

The Town of Westport irrevocably pledges, subject to the prior payment of the 1965 Bonds, the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on this bond, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, and for the payment of the sums required to be paid into its Sewage Works Sinking Fund under the provisions of said Ordinance and said Act. In the event the Town or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for under the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The Town further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of said works for payment of (a) the interest on all bonds which by their terms are payable from the revenues of said sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of said sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety to create and maintain the reserve required by the Ordinance. Such required payments shall constitute a second charge upon the Net Revenues of said sewage works, subject to the aforementioned 1965 Bonds.

This bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner except for any tax or governmental charge required with respect to the transfer. The Town, the Registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The bonds of this issue maturing on November 1, 2005 or thereafter are redeemable at the option of the Town November 1, 2004 or any date thereafter, on thirty days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at face value with the following premiums:

2% if redeemed on November 1, 2004, or
thereafter on or before October 31, 2005;
1% if redeemed on November 1, 2005, or
thereafter on or before October 31, 2006;
0% if redeemed on November 1, 2006, or
thereafter prior to maturity;

plus, in each case, accrued interest to the date of redemption.

[The bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on November 1 in the years and amounts set forth below:

Year

Amount

*

*Final Maturity]

If less than all of the bonds are called for redemption at one time, the bonds shall be redeemed in inverse order of maturity, for optional redemption, and by lot within a maturity. Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. [If some bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the bonds for optional redemption before selecting the bonds by lot for the mandatory sinking fund redemption.]

Notice of such redemption shall be mailed not less than thirty (30) days prior to the date fixed for redemption to the address of the registered owner as shown on the registration record of the Town as of the date, which is forty-five (45) days prior to such redemption date, unless said notice is waived by the registered owner of this bond. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the Town. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the Town may deposit in trust with its depository bank an amount sufficient to pay such bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment, and the Town shall have no further obligation or liability in respect thereto.

THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance. The Ordinance may be amended without the consent of the owners of the bonds as provided in the Ordinance if the Town Council determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the bonds.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Sec. 5. Authorization for Preparation of Refunding Bonds. The Clerk-Treasurer is hereby authorized and directed to have said Refunding Bonds prepared, and the President and Clerk-Treasurer are hereby authorized and directed to execute and attest said Refunding Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver said Refunding Bonds to the purchasers thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than 97.5% of the par value of said Refunding Bonds, plus accrued interest to the date of delivery, if any. The Refunding Bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues of the sewage works to be set aside into the Sewage Works Sinking Fund, as herein provided. The proceeds derived from the sale of said Refunding Bonds shall be and are hereby set aside for application on the cost of the Refunding and the expenses necessarily incurred in connection with the Refunding Bonds. The proper officers of the Town are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

Sec. 6. Refunding of the Refunded Bond. In order to accomplish the Refunding of the Refunded Bond, concurrently with the delivery of the Refunding Bonds the Clerk-Treasurer shall make provisions for immediate repayment of the principal of and interest on the Refunded Bond to the Farmers Home Administration. The Clerk-Treasurer shall cause a sufficient amount of the Refunding Bond proceeds and sewage works funds on hand to be paid to the Farmers Home

Administration to pay all of the outstanding principal of the Refunded Bonds, plus accrued interest to the date of the Refunding. No redemption premium shall be paid.

Sec. 7. Sale of Bonds; Award of Bonds. If the Refunding Bonds will be sold at a competitive sale, the Clerk-Treasurer shall cause to be published either: (i) a notice of such sale in the Greensburg Daily News and the Greensburg Times, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale; or (ii) a notice of intent to sell bonds in the Greensburg Daily News, the Greensburg Times and The Indianapolis Commercial, all in accordance with IC 5-1-11 and IC 5-3-1. Either form of notice shall also be posted at the Town Hall and the post office (bank if there is no post office) in the Town in accordance with IC 5-3-1. A notice or summary notice of sale may also be published in The Indianapolis Commercial or in The Bond Buyer in New York, New York. The notice shall state the character and amount of the Refunding Bonds, the maximum rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the Town shall deem advisable, and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a financial surety bond to guarantee performance on the part of the bidder. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State of Indiana, and such bond must be submitted to the Town prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Refunding Bonds are awarded to a bidder

utilizing a financial surety bond, then that purchaser is required to submit to the Town a certified or cashier's check (or wire transfer such amount as instructed by the Town) not later than 3:30 p.m. (Westport time) on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond shall be drawn by the Town to satisfy the good faith deposit required. In the event the successful bidder shall fail or refuse to accept delivery of the Refunding Bonds and pay for the same as soon as the Refunding 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 Town and shall be considered as its liquidated damages on account of such default. Said notice shall also provide that bidders for said Refunding Bonds will be required to name the rate or rates of interest which the Refunding 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 ($1/8$) or one-twentieth ($1/20$) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bids or bids for less than 97.5% of the par value of the Refunding Bonds will be considered. The opinion of Ice Miller Donadio & Ryan, bond counsel of Indianapolis, Indiana, approving the legality of said Refunding Bonds will be furnished to the purchaser at the expense of the Town.

The Refunding Bonds shall be awarded by the Clerk-Treasurer to the best bidder who has submitted its bid in accordance with the terms of this ordinance and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the Town to be determined by computing the total interest on all of the Refunding Bonds to their maturities, adding thereto the discount bid, if any and deducting therefrom the premium bid, if any. The right to reject

any and all bids is hereby reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the Town than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the Clerk-Treasurer may negotiate the sale of said Refunding Bonds to the Bond Bank or any other purchaser at an interest rate not exceeding eight and one-half percent (8.5%) per annum. The President and the Clerk-Treasurer are hereby authorized to (i) submit an application to the Bond Bank, (ii) execute a Bond Purchase Agreement with the purchaser of the Refunding Bonds with terms conforming to this ordinance and (iii) sell such Refunding Bonds upon such terms as are acceptable to the President and the Clerk-Treasurer consistent with the terms of this ordinance.

Sec. 8. Accrued Interest; Use of Proceeds. The accrued interest received at the time of delivery of the Refunding Bonds, if any, shall be deposited in the Sinking Fund continued in Section 13. The remaining proceeds of the Refunding Bonds shall be used to complete the Refunding as described in Section 6 and to pay costs of issuance of the Refunding Bonds.

Sec. 9. Financial Records and Accounts. The Town shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of said sewage works and all disbursements made therefrom and all transactions relating to said sewage works. There shall be prepared and furnished upon request to any owner of the Refunding Bonds, the most recent annual report prepared by the State Board of Accounts setting out complete operating, income and financial statements of said sewage works, in reasonable detail, covering

the preceding fiscal year. Such report shall be furnished by the Clerk-Treasurer within ninety (90) days of the request. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner of the Refunding Bonds shall have the right, upon request, at all reasonable times to inspect said sewage works system and the records, accounts and data of the Town relating thereto.

Sec. 10. Pledge of Net Revenues. The interest on and the principal of the Refunding Bonds issued pursuant to the provisions of this ordinance, and any bonds hereafter issued on a parity therewith, shall constitute a second charge on all the Net Revenues, and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such Refunding Bonds, to the extent necessary for that purpose, subject to the prior payment of the 1965 Bonds.

Sec. 11. Revenue Fund. There is hereby continued a fund known as the Sewage Works Revenue Fund (the "Revenue Fund"). All revenues derived from the operation of the sewage works and the collection of sewage rates and charges shall be deposited in the Revenue Fund, which Revenue Fund shall include the hereinafter defined Operation and Maintenance Account, Sinking Fund and Improvement Account. The Revenue Fund shall be segregated and kept separate and apart from all other funds and bank accounts of the Town.

Out of said Revenue Fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided. No moneys derived from the revenues

of the sewage works shall be transferred to any other fund of the Town or be used for any purpose not connected with the sewage works so long as any of the 1965 Bonds are outstanding.

Sec. 12. Operation and Maintenance Fund. There is hereby continued an account of the Revenue Fund known as the Operation and Maintenance Account (the "O & M Account") to which O & M Account there shall be credited as of the last day of each calendar month a sufficient amount of the revenues of the sewage works so that the balance in the O & M Account shall be sufficient to pay the expenses of operation, repair and maintenance of the sewage works for the then next succeeding two (2) calendar months. The moneys credited to the O & M Account shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the moneys in the O & M Account shall be used for betterments, extensions or additions. Any balance in the O & M Account in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal or interest on the outstanding bonds. So long as the 1965 Bonds are outstanding, any excess balance in the O&M Account may also be used to attain a balance in the O&M Account equal to the expenses of operation, repair, maintenance and depreciation of the works for a twelve month period.

Sec. 13. Sewage Works Sinking Fund. The special fund designated "Sewage Works Sinking Fund" (the "Sinking Fund"), created by Ordinance No. 1965-1, adopted on April 26, 1965, for the payment on the 1965 Bonds, is hereby designated and constituted as the sinking fund for the payment of the principal of and interest on all outstanding revenue bonds which by their terms are payable from the Net Revenues of the sewage works, and the payment of any

fiscal agency charges in connection with the payment of bonds. Any moneys heretofore accumulated to pay principal and interest on the Refunded Bond shall be used to complete the Refunding as described in Section 6. There shall be set aside and deposited in the bond payment portion of the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety to maintain the debt reserve described below. The monthly payments into the bond payment portion of the 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 the 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.

On the date of delivery of the Refunding Bonds, the Town shall deposit funds on hand of the sewage works into the debt reserve portion of the Sinking Fund in an amount which shall cause the aggregate balance in the debt reserve to equal the least of (i) the maximum annual principal and interest requirements of the Refunding Bonds and the 1965 Bonds, (ii) 125% of the average annual debt service on the Refunding Bonds and the 1965 Bonds, or (iii) ten percent (10%) of the proceeds of the Refunding Bonds and the 1965 Bonds, plus a minor portion as defined in the Internal Revenue Code of 1986 (the "Reserve Requirement").

The debt reserve portion of the Sinking Fund shall constitute the margin for safety and a protection against default in the payment of principal of and interest on the Refunding Bonds and the 1965 Bonds, and the moneys in the debt reserve shall be used only to pay current principal and interest on said Refunding Bonds and 1965 Bonds to the extent that moneys in the bond payment portion of the Sinking Fund are otherwise insufficient for that purpose. Any deficiencies in credits to the debt reserve shall be promptly made up from the next available Net Revenues remaining after credits into the bond payment portion of the Sinking Fund. In the event moneys in the debt reserve portion of the bond payment portion of the Sinking Fund are used to pay interest and principal on the Refunding Bonds or the 1965 Bonds, then such depletion of the balance in the debt reserve shall be made up from the next available Net Revenues after the credits into the bond payment portion of the Sinking Fund hereinbefore provided for. Moneys maintained in the debt reserve shall not exceed the Reserve Requirement and any excess shall be considered revenues of the sewage works.

In no event shall any part of the Sinking Fund be used in calling bonds for redemption prior to maturity so long as the 1965 Bonds are outstanding, except to the extent that the amount then in the Sinking Fund exceeds the amount required to pay the Refunding Bonds and 1965 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 Refunding Bonds and 1965 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 applicable redemption price, if first approved by the Town Council. Moneys in the Sinking Fund shall not be used for any purpose

whatsoever except as stated in this section. After the 1965 Bonds are no longer outstanding any excess funds in the Sinking Fund may be used as directed by the Town Council.

Sec. 14. Sewage Works Improvement Account. After meeting the requirements of the the Sinking Fund and after accumulating funds for operation, repair, maintenance and depreciation for a twelve month period, any excess revenues may be transferred or credited to the Sewage Works Improvement Account ("Improvement Account"), hereby continued, and said Account shall be used for betterments, additions and extensions of the sewage works. All or any portion of the funds accumulated and reserved in the Improvement Account shall be transferred to the Sinking Fund, if necessary, to prevent a default in the payment of principal of or interest on outstanding bonds payable from said Sinking Fund. Moneys in the Improvement Account also may be transferred to the O & M Account to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works. After the 1965 Bonds are no longer outstanding, the O&M Account must contain a balance equal to two months of operation, repair and maintenance expenses and the Sinking Fund requirements must be met before making transfers to the Improvement Account.

Sec. 15. Investment of Funds and Accounts. The Revenue Fund shall be deposited in and maintained as at least two separate accounts apart from all other accounts of the Town. The Sinking Fund shall consist of at least one such separate account. The O & M Account and the Improvement Account shall consist of at least one such separate account and 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 Town and apart from the Sinking Fund account or accounts. All moneys deposited in said accounts shall be deposited, held, secured and

invested as public funds in accordance with the public depository laws and investment laws of the State of Indiana as now in effect or as hereafter amended.

Sec. 16. Defeasance of the Refunding Bonds. If, when the Refunding 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 Refunding 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 Refunding Bonds or any portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of, or obligations the 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 for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Refunding 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 Town's sewage works.

Sec. 17. Rate Covenant. The Town 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 Town 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. The rates and charges so established shall apply to any and all use of such works by and service rendered to the Town and all departments thereof as the charges accrue.

Sec. 18. Additional Bond Provisions. The Town reserves the right to authorize and issue additional bonds payable out of the Net Revenues of its sewage works ranking on a parity with the Refunding Bonds for the purpose of financing the cost of future additions, extensions and improvements to its sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the sewage works shall have been paid in accordance with their terms.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Refunding Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds the sewage rates and charges shall be increased sufficiently so that increased rates and charges applied to the previous year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including the additional parity bonds

proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings prepared by a certified public accountant employed by the Town for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of May and November and the principal on, or mandatory sinking fund redemptions for, the additional parity bonds shall be payable annually on the first day of November.

Sec. 19. Further Covenants of the Town; Maintenance, Insurance, Pledge Not To Encumber, Subordinate Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the owners of the Refunding Bonds, it is hereby specifically provided as follows:

(a) The Town shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Refunding Bonds herein authorized are outstanding, the Town shall maintain insurance on the insurable parts of said sewage works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing the property destroyed or damaged or if not used for that purpose shall be treated and applied as Net Revenues of the works.

(c) So long as any of the Refunding Bonds herein authorized are outstanding, the Town shall not mortgage, pledge or otherwise encumber such works or any part thereof, nor shall it

sell, lease or otherwise dispose of any portion thereof except equipment or property which may become worn out, obsolete or no longer suitable for use in the sewage works.

(d) Except as hereinbefore provided in Sec. 18, so long as the Refunding Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed or issued by the Town except such as shall be made subordinate and junior in all respects to the Refunding Bonds herein authorized, unless the Refunding Bonds herein authorized have been duly called for redemption and sufficient funds to effect the redemption and retirement have been deposited at the place of redemption on the date fixed for redemption in accordance with the terms and conditions of said Refunding Bonds and this ordinance.

(e) The Town shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The Town shall insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(f) The provisions of this ordinance shall constitute a contract by and between the Town and the owners of the Refunding Bonds herein authorized, and after the issuance of said Refunding Bonds, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Refunding Bonds, nor shall the Town Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as said Refunding Bonds or the interest thereon remain unpaid. Excluding the changes set forth in Section 21(a)-(f), the ordinance may be amended, however, without the

consent of Refunding Bond owners, if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Refunding Bonds.

(g) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Refunding Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The owners of said Refunding Bonds shall have all the rights, remedies and privileges under the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of the Refunding Bonds and the interest thereon, in the event the Town shall fail or refuse to fix and collect sufficient rates and charges for said purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Refunding Bonds.

Sec. 20. Tax Covenants. In order to preserve the exclusion of interest on the Refunding Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Refunding Bonds (the "Code") and as an inducement to the purchasers of the Refunding Bonds, the Town represents, covenants and agrees:

(a) No person or entity, other than the Town or another state or local governmental unit, will use proceeds of the Refunding Bonds or property financed by said proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by Refunding Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property.

(b) No portion of the payment of the principal of or interest on the Refunding Bonds is, under the terms of the Refunding Bonds, this ordinance or any underlying arrangement, directly or indirectly, secured by an interest in property used or to be used for any private use or payments in respect of such property, or to be derived from payments (whether or not to the Town) in respect of property or borrowed money used or to be used for a private business use.

(c) No Refunding Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No Refunding Bond proceeds will be transferred directly, or indirectly transferred or deemed transferred to a non-governmental person in a fashion that would in substance constitute a loan of said Refunding Bond proceeds.

(d) The Town hereby covenants that it will rebate any arbitrage profits to the United States to the extent required by the Code and the regulations promulgated thereunder.

(e) The Town represents that:

(1) The Refunding Bonds are not private activity bonds as defined in Section 141 of the Code;

(2) The Town hereby designates the Refunding Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; and

(3) The reasonably anticipated amount of qualified tax-exempt obligations (including 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the Town and all entities subordinate to the Town during 1994 does not exceed \$10,000,000.

(4) The Town has not designated more than \$10,000,000 of qualified tax-exempt obligations during 1994.

Therefore, the Refunding Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to tax-exempt obligations.

(f) It will not take any action or fail to take any action with respect to the Refunding Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Refunding Bonds pursuant to Section 103 of the Code, nor will the Town act in any other manner which would adversely affect such exclusion, and it will not make any investment or do any other act or thing during the period that Refunding Bonds are outstanding which would cause the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(g) These covenants are based solely on current law in effect and in existence on the date of delivery of such Refunding Bonds.

(h) It shall not be an event of default under this ordinance if the interest on the Refunding Bonds is not excludable from gross income for federal tax purposes or otherwise

pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of the Refunding Bonds.

Sec. 21. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) in aggregate principal amount of the Refunding 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 Town Council of the Town of Westport of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the Town of Westport 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, mandatory sinking fund redemption dates, if any, or interest on any Refunding Bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this ordinance; or

(d) A preference or priority of any Refunding Bond or Refunding Bonds issued pursuant to this ordinance over any other Refunding Bond or Refunding Bonds issued pursuant to the provisions of this ordinance; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental ordinance; or

(f) A reduction of the Reserve Requirement.

In the event that the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Town, no owner of any Refunding Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town Council of the Town from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the Town and all owners of Refunding Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the Town and of the owners of the Refunding Bonds authorized by this ordinance, and the terms and provisions of the Refunding Bonds and this ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the Refunding Bonds then outstanding.

Sec. 22. Compliance with Tax Covenants. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance ("Tax Sections") which are designed to preserve the exclusion of interest on the Refunding Bonds from gross income under federal tax law ("Tax Exemption") need not be complied with if the Town receives an opinion of bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Sec. 23. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this ordinance shall not be deemed in any way to repeal Ordinance No. 1965-1 nor be construed as adversely affecting the rights of the holders of the Refunded Bond or the 1965 Bonds.

Sec. 24. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this ordinance.

Sec. 25. Effective Date. This ordinance shall be in full force and effect from and after its passage.

Passed and adopted by the Town Council of the Town of Westport this 22ND day of
AUGUST, 1994.

TOWN COUNCIL

President

Harry H. Gray III
J. H. Gomer

Attest:

Barbara Hayden
Clerk-Treasurer