

**ORDINANCE NO. 2014-09-05**

**AN ORDINANCE OF THE CITY OF WARSAW, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,200,000.00) TO PROCURE FUNDS TO BE APPLIED TO THE COSTS OF ACQUIRING CERTAIN STREET DEPARTMENT VEHICLES AND EQUIPMENT AND CERTAIN PUBLIC SAFETY VEHICLES, TOGETHER WITH EXPENSES INCIDENTAL THERETO, INCLUDING EXPENSES IN CONNECTION WITH THE ISSUANCE OF THE BONDS**

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WHEREAS, the Common Council (the "Common Council") of the City of Warsaw, Indiana (the "City"), has previously adopted a resolution determining a need exists for the costs associated with the acquisition of certain street department vehicles including, without limitation, four (4) pickup trucks, a plow truck, a garbage truck, a bobcat loader, a skid loader and various mowing equipment and certain public safety vehicles including, without limitation, police vehicles (the "Equipment"); and

WHEREAS, the Common Council of the City (the "Common Council") estimates the costs of financing the Equipment to be approximately One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00); and

WHEREAS, the Common Council has determined to issue general obligation bonds of the City to procure funds to be applied to the acquisition of the Equipment, together with expenses incidental thereto, including expenses incurred by the City in connection with the issuance of said bonds; and

WHEREAS, the Equipment and the financing by the City of the Equipment, together with expenses incidental thereto, are necessary and will be of general benefit to the City and its citizens; and

WHEREAS, the City has no funds available or provided for in the existing budgets or tax levies that may be applied to the cost of the Equipment, together with all expenses incidental thereto, making it necessary to authorize the issuance of general obligation bonds of the City in anticipation thereof; and

WHEREAS, the acquisition of the Equipment does not constitute a "controlled Equipment" as defined by Indiana Code 6-1.1-20-1.1 because the Equipment will not cost the City more than Two Million and 00/100 Dollars (\$2,000,000.00);

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF WARSAW, INDIANA, AS FOLLOWS:

**SECTION 1.** The City is hereby authorized to make a loan in an amount not to exceed One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00), for the

purpose of providing funds to be applied to the costs of the Equipment, together with expenses incidental thereto, including expenses in connection with the issuance of bonds on account thereof. The financing of the Equipment, together with expenses incidental thereto, including expenses in connection with issuing bonds, is being undertaken pursuant to the determination to issue bonds made by the Common Council as described above.

**SECTION 2.** In order to procure this loan, the City is hereby authorized and directed to have prepared and to issue and sell negotiable general obligation bonds of the City, to be designated as "City of Warsaw, Indiana, General Obligation Bonds of 2014," in an aggregate principal amount not to exceed One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) (the "Bonds"). The Bonds shall be issued in fully registered form in the denominations of Five Thousand and 00/100 Dollars (\$5,000) or an integral multiple thereof not exceeding the aggregate principal amount of Bonds maturing in any one year. The Bonds shall be numbered consecutively from 2014R-1 upwards and shall bear interest at a rate or rates not exceeding five percent (5%) per annum (the exact rate or rates to be determined by bidding) or such lower rates for such maturities as may be determined by the Mayor of the City (the "Mayor") and the Clerk-Treasurer of the City (the "Clerk-Treasurer") and as set forth in a certificate of the City executed by the Mayor and the Clerk-Treasurer establishing certain provisions and details with respect to the Bonds (hereinafter referred to as the "Issuer's Certificate"). The interest shall be payable semiannually on the first day of August and the first day of February of each year beginning not earlier than August 1, 2015, or such later date as may be determined by the Mayor and Clerk-Treasurer and set forth in the Issuer's Certificate. Interest shall be calculated on the basis of twelve (12) thirty (30) day months for a three hundred sixty (360) day year. The Bonds shall mature and be payable semiannually on February 1 and August 1 beginning August 1, 2015, or such later date as may be set forth in the Issuer's Certificate (as defined herein) over a period ending no later than three (3) years from the date of issuance of the Bonds. The final principal maturity schedule of the Bonds shall be certified by the Clerk-Treasurer based upon the advice of the financial advisor to the City and to be set forth in the Issuer's Certificate prior to the sale of the Bonds. Notwithstanding anything herein to the contrary, the Bonds may, at the option of the successful bidder and in compliance with all applicable laws, be initially issued and held in book-entry form and registered in the name of Cede & Co., as nominee for The Depository Trust Company (the "DTC") without physical distribution of Bonds to the purchasers thereof. The Clerk-Treasurer is hereby authorized to take such action as may be necessary to provide for the Bonds to be issued in book-entry-only form, including without limitation executing a Blanket Issuer Letter of Representations.

**SECTION 3.** The Clerk-Treasurer may serve as registrar and paying agent or, alternatively, the Clerk-Treasurer may appoint a registrar and paying agent for the Bonds (the "Registrar" and the "Paying Agent" and, in both such capacities the "Registrar and Paying Agent"). The Clerk-Treasurer is hereby authorized to formulate and distribute proposals with regard to the services of a registrar and paying agent in the event the Clerk-Treasurer determines to appoint a registrar and paying agent. The Registrar and Paying Agent is hereby charged with the performance of all duties and responsibilities customarily associated with the position of the Registrar and Paying Agent, including without limitation the authentication of the Bonds. The Mayor and the Clerk-Treasurer are hereby authorized and directed to enter into such agreements or understandings with the appointed Registrar and Paying Agent as will enable and facilitate the performance of its duties and responsibilities, and are authorized and directed to pay such fees as

the appointed Registrar and Paying Agent may reasonably charge for its services in such capacities, with such fees to be paid from available funds of the City.

The principal of the Bonds shall be payable at the principal office of the Registrar and Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered one business day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the fifteenth day of the month immediately preceding the interest payment date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner. To the extent that DTC or its nominee is the registered owner of the Bonds, interest on, together with the principal of the Bonds will be paid directly to DTC by wire transfer in same day funds by the Registrar and Paying Agent. All payments on the Bonds shall be made in any coin or currency of the United States of America which on the dates of such payments shall be legal tender for the payment of public and private debts.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days' written notice to the City and by first-class mail to each registered owner of Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or be sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall cause each registered owner of Bonds then outstanding to be notified by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar and Paying Agent.

Any predecessor Registrar and Paying Agent shall deliver all of the Bonds, and cash in its possession with respect to the Bonds, together with the registration books, to the successor Registrar and Paying Agent. The Mayor and the Clerk-Treasurer are hereby authorized to act on behalf of the City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent. In addition, the Mayor and the Clerk-Treasurer are hereby authorized and directed, on behalf of the City, to enter into such agreements or understandings with any subsequent Registrar and Paying Agent as will enable it to perform the services required of it. Any such subsequent Registrar and Paying Agent shall be paid for its services out of available funds of the City.

**SECTION 4.** The Bonds shall bear an original date which shall be the day on which the Bonds are delivered, and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before July 15, 2015 shall pay interest from its original date. Any Bond authenticated thereafter shall pay interest from the interest payment date next preceding the date of authentication of such Bond unless the 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 interest thereon shall be paid from such interest payment date.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar and Paying Agent, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Bond, together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same 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 Bonds may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Bonds during the period following the fifteenth day of the month immediately preceding an interest payment date on the Bonds until such interest payment date. The City and the Registrar and Paying Agent may treat and consider the person in whose name such 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.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar and Paying Agent may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the City and the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the City and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Bond shall have matured, instead of causing to be issued a duplicate Bond, the City and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar and Paying Agent may charge the owner of such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder.

**SECTION 5.** The Bonds shall not be subject to optional redemption. At the option of the successful bidder for the Bonds, all or a portion of the Bonds may be aggregated into one (1) or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities on February 1 or August 1. Such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on February 1 and August 1 in the years and in the principal amounts set forth in the maturity schedule for the Bonds set forth in the Issuer's Certificate.

The Registrar and Paying Agent shall credit against the current mandatory sinking fund requirement for a Term Bond of a particular maturity, any Bonds of such maturity delivered

to the Registrar and Paying Agent for cancellation or purchased for cancellation by the Registrar and Paying Agent and canceled by the Registrar and Paying Agent and not theretofore applied as a credit against any mandatory sinking fund requirement. Each Bond so delivered or purchased shall be credited by the Registrar and Paying Agent at 100% of the principal amount thereof against the current mandatory sinking fund requirements for the applicable Term Bond, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly; provided, however, the Registrar and Paying Agent shall only credit Bonds against the mandatory sinking fund requirements to the extent such Bonds are received on or before 45 days preceding the applicable mandatory sinking fund redemption date.

The Registrar shall determine by lot (treating each \$5,000 principal amount of each Bond as a separate Bond for such purpose) the Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on February 1 or August 1 of each year. In the event any of the Bonds are issued as Term Bonds, the form of the Bond set forth in Section 7 of this Ordinance shall be modified accordingly. Any reference to payment of principal on the Bonds shall include payment of scheduled mandatory sinking fund redemption payments described in this Section 5.

Official notice of such mandatory sinking fund redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the Bonds called for redemption. The place of redemption may be at the principal corporate trust office of the Registrar and Paying Agent or as otherwise determined by the City. Interest on the Bonds (or portions thereof) so called for redemption shall cease to accrue 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 redemption date and when such Bonds (or portions thereof) are presented for payment. Any Bond redeemed in part may be exchanged for a Bond or Bonds of the same maturity in authorized denominations equal to the remaining principal amount thereof.

In addition to the foregoing notice, the City may also direct that further notice of redemption of the Bonds be given, including without limitation and at the option of the Board, notice described in paragraph (a) below given by the Registrar and Paying Agent to the parties described in paragraphs (b) and (c) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the City, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the

date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) If so directed by the City, each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service, Kenny Information Service's Called Bond Service, Moody's Municipal and Government News Reports and Standard & Poor's Called Bond Record).

(c) If so directed by the City, each such further notice shall be published one time in The Bond Buyer of New York, New York or, if the Registrar believes such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

In the event any of the Bonds are issued as Term Bonds, the form of the Bond set forth in Section 7 of this Resolution shall be modified accordingly.

Any reference to payment of principal on the Bonds shall include payment of scheduled mandatory sinking fund redemption payments described in this Section 5.

**SECTION 6.** The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk-Treasurer of the City, who shall cause the official seal of the City to be impressed or a facsimile thereof to be printed or otherwise reproduced on each of the Bonds. In the event that any officer whose signature appears on any Bond shall cease to be such officer for any reason before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had been in such office at the time of delivery. Subject to the provisions for registration set forth in this Ordinance and the Bonds shall be negotiable under the laws of the State of Indiana.

The Bonds shall be authenticated with the manual signature of a duly authorized representative of the Registrar and Paying Agent, and no Bond shall be valid or obligatory for any purpose until the certificate of authentication on such Bond shall have been so executed.

**SECTION 7.** The form and tenor of the Bonds shall be substantially as follows (all blanks to be properly completed prior to the preparation of the Bonds):

[Form of Bond]

UNITED STATES OF AMERICA

State of Indiana  
No. 2014R-\_\_\_\_\_

County of Kosciusko  
\$ \_\_\_\_\_

City of Warsaw, Indiana  
General Obligation Bond of 2014

Interest Rate      Maturity Date      Original Date      Authentication Date      CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Warsaw, in Kosciusko County, Indiana (the "City"), for value received hereby acknowledges itself indebted and promises to pay to the registered owner (named above) or registered assigns, the principal amount set forth above on the maturity date set forth above, and to pay interest on said principal sum to the registered owner of this bond until the City's obligation with respect to the payment of such principal sum shall be discharged, at the rate per annum specified above from the interest payment date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before July 15, 2015, in which case interest shall be paid from the original date specified above, or 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 interest shall be paid from such interest payment date. Interest shall be payable on the first day of February and August of each year, commencing August 1, 2015. Interest shall be calculated on the basis of twelve (12) thirty (30) day months for a three hundred sixty (360) day year.

\_\_\_\_\_, in the \_\_\_\_\_ of \_\_\_\_\_, Indiana has been designated as the initial Registrar and Paying Agent for this Bond (the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"). The principal of this bond is payable at the principal office of the Registrar and Paying Agent. Interest on this bond shall be paid by check or draft mailed or delivered one business day prior to such payment date to the registered owner hereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the fifteenth day of the month immediately preceding the applicable interest payment date or at such other address as is provided to the Registrar and Paying Agent in writing by the registered owner. So long as the Depository Trust Company ("DTC") or its nominee is the registered owner of the Bonds, interest on, together with the principal of, and premium, if any, on the Bonds will be paid directly to DTC by wire transfer in same day funds. All payments on this bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts. Subject to the provisions for registration set forth herein and in the Ordinance described herein, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the City of Warsaw, Indiana, aggregating One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00), numbered consecutively from 2014R-1 upwards, issued pursuant to an ordinance adopted by the Common Council of the City on

\_\_\_\_\_, 2014, entitled "AN ORDINANCE OF THE CITY OF WARSAW, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,200,000.00) TO PROCURE FUNDS TO BE APPLIED TO THE COSTS OF ACQUIRING CERTAIN STREET DEPARTMENT VEHICLES AND EQUIPMENT AND CERTAIN PUBLIC SAFETY VEHICLES, TOGETHER WITH EXPENSES INCIDENTAL THERETO, INCLUDING EXPENSES IN CONNECTION WITH THE ISSUANCE OF THE BONDS" (the "Ordinance") and the Indiana Code.

This bond is issued 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 any one year.

The bonds of this issue are not subject to redemption prior to maturity.

If this bond shall have become due and payable in accordance with its terms and the whole amount of the principal and interest so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and the 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, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the City.

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of the issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar and Paying Agent by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond, together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same 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 to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be obligated to make any exchange or transfer of this bond following the fifteenth day of the month immediately preceding an interest payment date on this bond until such interest payment date. The City and the Registrar and 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.

In the event this bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided, that in the case of this bond being mutilated, this bond shall first be surrendered to the City and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the City and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the City and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of causing to be issued a duplicate bond, the City and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. In such event, the City and the Registrar and



Paying Agent may charge the owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the City, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Ordinance referred to above, equally and proportionately with any and all other bonds duly issued thereunder.

In the manner provided in the Ordinance, the Ordinance and the rights and obligations of the City and of the owners of the bonds, may (with certain exceptions stated in the Ordinance) be modified or amended with the consent of the owners of at least sixty percent (60%) in aggregate principal; amount of outstanding bonds exclusive of bonds, if any, owned by the City.

Notices to registered owners of bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

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; that this bond and such total issue of bonds is within every limit of indebtedness provided by the constitution and laws of the State of Indiana; and that the full faith and credit of the City of Warsaw, Indiana, together with all of its taxable property, both real and personal, are hereby irrevocably pledged to the punctual payment of the principal and interest of this bond according to its terms.

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

IN WITNESS WHEREOF, the City of Warsaw, in Kosciusko County, Indiana, by ordinance of its Common Council, has caused this bond to be executed in its corporate name and on its behalf, by the manual or facsimile signature of its duly elected, qualified and acting Mayor, countersigned by the manual or facsimile signature of its duly elected, qualified and acting Clerk-Treasurer, who has caused the official corporate seal of the City to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon.

THE CITY OF WARSAW, INDIANA

By: \_\_\_\_\_  
Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

\_\_\_\_\_  
as Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Representative

ASSIGNMENT

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
**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.

Signature Guarantee:

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

(End of Bond Form)

**SECTION 8.** The Bonds shall be sold at public sale in accordance with Indiana law. Prior to the sale of the Bonds, the Clerk-Treasurer of the City shall cause to be published a notice of intent to sell two times at least one week apart in The Times Union and the Court & Commercial Record. The notice must state that any person interested in submitting a bid for the Bonds may furnish in writing, at the address set forth in the notice, the person's name, address, and telephone number, and that any such person may also furnish a facsimile number. The notice must also state: (1) the amount of the Bonds to be offered; (2) the denominations; (3) the dates of maturity; (4) the maximum rate or rates of interest; (5) the place of sale; and (6) the time within which the name, address and telephone number must be furnished, which must not be less than seven (7) days after the last publication of the notice. Each person so registered shall be notified of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex if the person furnishes a telex number. Such notice may also

include such other information as the Clerk-Treasurer shall deem necessary and the attorneys employed by the City shall deem necessary or advisable.

All bids for Bonds shall be sealed and shall be presented to the City at the office of H.J. Umbaugh & Associates Certified Public Accountants, LLP (the "Financial Advisor"), located at 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, and the Financial Advisor, acting on behalf of the City, shall continue to receive all bids offered until the hour fixed for the sale of the Bonds, at which time and place the Financial Advisor shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5%) per annum or such lesser rate as may be set forth in the Issuer's Certificate. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate of interest. The interest rate on Bonds of a given maturity must be at least as great as the interest rate on Bonds of any earlier maturity.

Subject to the provisions set forth below, the Clerk-Treasurer shall award the Bonds to the bidder offering the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds from the date thereof to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. No bid for less than ninety-nine percent (99%) of the par value of the Bonds (or such higher percentage of the par value of the Bonds as shall be set forth in the Issuer's Certificate), plus accrued interest at the rate or rates named to the date of delivery, will be considered. The Clerk-Treasurer shall have full right to reject any and all bids. In the event no acceptable bid is received at the time fixed for the sale of the Bonds, the Clerk-Treasurer shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed thirty (30) days, without readvertising, pursuant to Indiana law.

The winning bidder will be notified and instructed to submit a good faith deposit (the "Deposit") in the form of either a certified check or cashier's check or wire transfer in the amount of one percent (1%) of the principal amount of the Bonds made payable to the order of the City not later than 3:00 p.m. (EDT) on the next business day following the award. If such Deposit is not received by that time, the City may reject the bid. No interest on the Deposit will accrue to the successful bidder. The Deposit will be applied to the purchase price of the Bonds. In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the City as liquidated damages.

Prior to the delivery of the Bonds, the Clerk-Treasurer shall be authorized to obtain a legal opinion as to the validity of the Bonds from Faegre Baker Daniels LLP, bond counsel for the City, and to furnish such opinion to the purchaser or purchasers of the Bonds. The cost of such opinion, together with the fees and expenses of bond counsel in the performance of related services in connection with the issuance, sale and delivery of the Bonds shall be considered as part of the costs incidental to these proceedings and shall be paid out of proceeds of the Bonds.

**SECTION 9.** In the event it shall be hereafter determined that, in order to insure that the constitutional limitation on the indebtedness of the City is not exceeded, it is necessary

to reduce the amount of the Bonds authorized by this Ordinance, the Clerk-Treasurer shall be authorized to sell and deliver a lesser amount of the Bonds than herein authorized as set forth in the Issuer's Certificate.

**SECTION 10.** The Mayor and the Clerk-Treasurer is hereby authorized and directed to have such Bonds prepared, and directed to attest the Bonds with her manual or facsimile signature and to affix or cause to be affixed the seal of the City or a facsimile thereof to the Bonds. After the Bonds have been properly executed, the Bonds shall be delivered to the purchaser or purchasers in the manner provided by law.

**SECTION 11.** The Common Council hereby requests, authorizes and directs the Mayor and the Clerk-Treasurer, and both of them, for and on behalf of the City, to prepare, execute and deliver any and all other instruments, letters, certificates, agreements and documents as are determined to be necessary or appropriate to consummate the transactions contemplated by this Ordinance, and such determination shall be conclusively evidenced by the execution thereof. The instruments, letters, certificates, agreements, and documents, including the Bonds, necessary or appropriate to consummate the transactions contemplated by this Ordinance shall, upon execution, as contemplated herein, constitute the valid and binding obligations or representations and warranties of the City, the full performance and satisfaction of which by the City is hereby authorized and directed.

**SECTION 12.** If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms and the whole amount of the principal of and interest so due and payable upon on all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient monies, 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 monies for such purpose, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks, the principal of and interest on which when due will provide sufficient monies for such purpose, shall be held in trust for such purpose, then and in such event the Bonds or such portion thereof, shall no longer be deemed outstanding or an indebtedness of the City.

**SECTION 13.** In order to preserve the excludability from gross income of interest on the Bonds under federal law, the City represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the City or any other governmental unit ("Governmental Unit") within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Internal Revenue Code of 1986, as amended, and as in effect on the date of delivery of the Bonds (the "Code"), will use proceeds of the Bonds, or property financed by such proceeds other than as a member of the general public. No person or entity or any combination thereof other than the City or any other Governmental Unit will own property financed out of the proceeds of the Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a 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 of such property by the public at large;

(b) No Bond proceeds will be lent to any entity or person. No Bond proceeds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of such proceeds;

(c) The City will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103(a) of the Code, and the Common Council will not act in any manner or permit any actions by officers or officials of the City that would adversely affect such excludability. The City further covenants that it will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and regulations applicable thereto as in effect on the date of delivery of the Bonds. The City shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent

(d) All officers, employees and agents of the City are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the City as of the date that the Bonds are issued, and to make covenants on behalf of the City evidencing the City's commitments made herein. In particular, any and all appropriate officers, employees and agents of the City are authorized to certify and/or enter into covenants for the City regarding (i) the facts and circumstances and reasonable expectations of the City on the date that the Bonds are issued and (ii) the representations and covenants made herein by the City regarding the amount and use of the proceeds of the Bonds; and

(e) The Clerk-Treasurer is hereby authorized and directed to employ consultants and attorneys from time to time to advise the City with respect to the requirements under federal law for the continuing preservation of the excludability of interest on the Bonds from gross income for purposes of federal income taxation.

**SECTION 14.** Notwithstanding any other provisions of this Ordinance, any of the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the excludability of interest on the Bonds from gross income for purposes of federal income taxation (the "Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption.

**SECTION 15.** In the event that any date established for the payment of principal of, redemption premium, if any, or interest on the Bonds shall be in the City of such payment a Saturday, Sunday or a legal holiday or other day on which banking institutions are authorized by

law to close, then any such payment of principal, redemption premium or interest may be made on the next succeeding business day with the same force and effect as if made on the established date.

**SECTION 16.** The Common Council may, without the consent of, or notice to, any of the owners of the Bonds, adopt a supplemental ordinance for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Ordinance;

(b) To grant to or confer upon the owners of the Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds, or to make any change which, in the judgment of the Common Council, is not to the prejudice of the owners of the Bonds;

(c) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America;

(d) To provide for the refunding or advance refunding of the Bonds;

(e) To procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the Bonds; and

(f) Any other purpose which in the judgment of the Common Council does not adversely impact the interests of the owners of the Bonds.

**SECTION 17.** This Ordinance, and the rights and obligations of the City and the owners of the Bonds may be modified or amended at any time by supplemental ordinances adopted by the Common Council with the consent of the owners of the Bonds holding at least sixty percent (60%) in aggregate principal amount of the outstanding Bonds (exclusive of Bonds, if any, owned by the City); provided, however, that no such modification or amendment shall, without the express consent of the owners of the Bonds affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date, extend its maturity or the times for paying interest thereon, permit a privilege or priority of any Bond or Bonds over any other Bond or Bonds, create a lien securing any Bonds other than a lien ratably securing all of the Bonds outstanding, or change the monetary medium in which principal and interest are payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification.

Any act done pursuant to a modification or amendment so consented to shall be binding upon all the owners of the Bonds and shall not be deemed an infringement of any of the provisions of this Ordinance or of the Indiana Code, and may be done and performed as fully and

freely as if expressly permitted by the terms of this Ordinance, and after such consent relating to such specified matters has been given, no owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Common Council or any officer thereof from taking any action pursuant thereto.

If the Common Council shall desire to obtain any such consent, it shall cause the Registrar and Paying Agent to mail a notice, postage prepaid, to the respective owners of the Bonds at their addresses appearing on the registration books held by the Registrar and Paying Agent. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar and Paying Agent for inspection by all owners of the Bonds. The Registrar and Paying Agent shall not, however, be subject to any liability to any owners of the Bonds by reason of its failure to mail the notice described in this Section 17, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as provided in this Section 17.

Whenever at any time within one year after the date of the mailing of such notice, the Board shall receive an instrument or instruments purporting to be executed by the owners of the Bonds of not less than sixty percent (60%) in aggregate principal amount of the Bonds then outstanding (exclusive of Bonds, if any, owned by the City), which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar and Paying Agent, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the Bonds, whether or not such owner shall have consented thereto.

Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section 17, this Ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

**SECTION 18.** The Bonds shall be offered and sold pursuant to an Official Statement with respect to the Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule"). The Common Council hereby authorizes the Mayor and Clerk-Treasurer to approve the form of the Preliminary Official Statement upon the advice of counsel with such approval to be conclusively evidenced by their respective signatures thereon. The Common Council hereby authorizes the Mayor and Clerk-Treasurer to deem "final" the Preliminary Official Statement, as of its date, in accordance with the provisions of the Rule, subject to completion as permitted by the Rule, and the Common Council further authorizes the distribution of the deemed final Official Statement. The Common Council hereby authorizes and directs the Mayor and Clerk-Treasurer, upon the advice of the counsel to place into final form and distribute and cause to be delivered the final Official Statement in accordance with the Rule, and further authorizes the Mayor and Clerk-Treasurer to execute the final Official Statement for and on behalf of the City.

**SECTION 19.** The Common Council covenants and agrees that it will comply with and carry out the continuing disclosure requirements of Section (b)(5) of the Rule. The Mayor and Clerk-Treasurer are further authorized on behalf of the City to enter into a continuing disclosure agreement for the benefit of the holders of the Bonds to be dated as of the date of issuance and delivery of the Bonds evidencing the covenants and agreements of the City to comply with the continuing disclosure requirements of the Rule.

**SECTION 20.** The Bonds are hereby designated as "qualified tax-exempt obligations" for the purpose of Paragraph (3) of Section 265(b) of the Code, and any or all officials, officers, members, employees and agents of the City are hereby authorized to execute on behalf of the City any documents necessary or appropriate to evidence further such designation. The reasonably anticipated amount of "tax-exempt obligations" (as such term is used in Section 265(b) of the Code) (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the City or otherwise on behalf of the City or subordinate entities during the calendar year 2014 shall not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the City or otherwise on behalf of the City or subordinate entities have been or shall be designated "qualified tax-exempt obligations" during calendar year 2014.

**SECTION 21.** This Ordinance shall be in full force and effect from and after its passage and approval by the Common Council and signing of such Ordinance by the Mayor of the City.

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ADOPTED and passed by the Common Council of the City of Warsaw, Indiana,  
on this 6th day of October, 2014.

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Elaine Call

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Jeff R. Grose

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Diane Quance

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Diane Quance

Dated: October 6, 2014.

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Joseph M. Thallemer, Presiding Officer  
Common Council of the City of Warsaw, Indiana

ATTEST:

\_\_\_\_\_  
Lynne Christiansen, Clerk-Treasurer  
City of Warsaw, Indiana

Presented by me, the undersigned Clerk-Treasurer of the City of Warsaw, Indiana, to the Mayor of said City this \_\_\_\_ day of October, 2014, at \_\_\_\_\_ o'clock \_\_.m., for his consideration and action thereon.

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Lynne Christiansen, Clerk-Treasurer  
City of Warsaw, Indiana

Having examined the foregoing Ordinance, I do now, as Mayor of the City of Warsaw, Indiana, approve said Ordinance and return the same to the Clerk-Treasurer of the City this \_\_\_\_ day of October, 2014, at \_\_\_\_\_ o'clock \_\_.m.

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Joseph M. Thallemer, Mayor,  
City of Warsaw, Indiana