

JENNINGS NORTHWEST REGIONAL UTILITIES

ORDINANCE NO. 1998-3

An Ordinance concerning the enlargement of, and the construction of certain improvements and extensions to, the wastewater collection, treatment and disposal system of Jennings Northwest Regional Utilities, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of that system, the safeguarding of the interests of the owners of those revenue bonds and other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith.

A regular meeting of the Board of Trustees (the "Board") of Jennings Northwest Regional Utilities (the "District"), Jennings County, Indiana, was held at 7:00 p.m., Eastern Standard Time, on May 14, 1998.

PRESENT: Vance D. Funkhouser, Paul Michael Irwin, Norma Teeple, Bruce Lennon,
Narlon Littell, Donald L. McCauley, Max Wiley

ABSENT: None

The following Ordinance was offered for its first reading by Narlon Littell and seconded by Bruce Lennon, was offered for its second reading by Max Wiley and seconded by Paul Michael Irwin, and was offered for its third reading by Paul Michael Irwin and seconded by Donald L. McCauley;

WHEREAS, the District has heretofore established, constructed and financed its wastewater collection, treatment and disposal system for the purpose of providing for the collection, treatment and disposal of wastewater inside the District (the "System"), and now owns and operates the System pursuant to I.C. 13-26, as in effect on the issue date of the bond anticipation notes or the bonds, as applicable, which are authorized herein (the "Act"); and

WHEREAS, the Board finds: (i) that the enlargement of, and the construction of certain improvements and extensions to, the System (the "Project") are necessary; and (ii) that a master plan and cost estimates for the Project (the "Master Plan") have been prepared by Chaffee & Associates, Inc., of Batesville, Indiana, the engineer employed by the District (the "Engineer"); and

WHEREAS, the District will advertise for and receive bids for the construction of the Project, and such bids will be subject to the District's determination to construct the Project and the District obtaining funds to pay for the Project; and

WHEREAS, on the basis of the Engineer's estimates, the cost of the Project, including estimated incidental expenses and a contingency of approximately 10%, is in the amount of not to exceed Six Million Dollars (\$6,000,000); and

WHEREAS, the Board finds that the District has no funds on hand to pay the cost of the Project, and that the entire balance is to be financed by the issuance of its tax-exempt wastewater collection, treatment and disposal system revenue bonds in an amount not to exceed \$6,000,000 (the "New Bonds") and, if necessary, its bond anticipation notes (the "BANs"); and

WHEREAS, the District issued its Sewage Works Revenue Bonds of 1997, Series A, on November 4, 1997 (the "1997 Bonds"), in the aggregate principal amount of \$1,380,000, all of which is currently outstanding, all in accordance with and pursuant to Ordinance No. 1997-6, Amending and Restating Ordinance No. 1997-4, adopted by the Board on September 4, 1997 (the "1997 Ordinance"); and

WHEREAS, the 1997 Ordinance provides that the District may not issue additional bonds payable out of Net Revenues (herein defined as the gross revenues of the System remaining after the payment of the reasonable expense of the operation, repair and maintenance of the System) on a parity with the 1997 Bonds for the purpose of financing the cost of future additions, extensions and improvements to the System, or to refund obligations, unless:

(a) the interest on and principal of all 1997 Bonds payable from the Net Revenues of the System shall have been paid in accordance with their terms;

(b) the Net Revenues of the System in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the 1997 Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding 1997 Bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds, the rates and charges for use of the System shall be increased sufficiently so that the increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for such year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all outstanding 1997 Bonds and the additional parity bonds proposed to be issued; and

(c) the interest and principal on the additional parity bonds shall be payable on dates and in amounts as the District shall determine; and

WHEREAS, the interest on and principal of all 1997 Bonds payable from the Net Revenues of the System have been paid in accordance with their terms; and

WHEREAS, it is the intention of the District to have the New Bonds constitute a first charge on a parity with the 1997 Bonds against the Net Revenues of the System and to issue the New Bonds subject to the provisions of the Act and the terms and restrictions of this Ordinance; and

WHEREAS, the District desires (i) to authorize the issuance of BANs hereunder, if necessary, payable solely from the proceeds of other BANs to the extent issued for such purpose or the New Bonds and, with respect to the interest thereon and only if necessary, commencing on the due date of such interest, the Net Revenues of the System remaining after all required deposits thereof into the Jennings Northwest Regional Utilities Wastewater System Sinking Fund (the "Sinking Fund") in accordance with the 1997 Ordinance and this Ordinance, and (ii) to authorize the refunding of the BANs, if issued; and

WHEREAS, it is anticipated that the District will advance all or a portion of the costs of the Project prior to the issuance of the BANS or the New Bonds, such advance to be repaid from proceeds of the BANS or the New Bonds upon the issuance thereof; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the District intends by this Ordinance to qualify amounts advanced by the District to the Project for reimbursement from proceeds of the BANS or the New Bonds in accordance with the requirements of the Reimbursement Regulations;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF JENNINGS NORTHWEST REGIONAL UTILITIES, INDIANA, as follows:

Section 1. Authorization of Project. The District shall proceed with the completion of the Project in accordance with the Master Plan as and to be modified as deemed appropriate by the District and the Engineer. Based on estimates provided by the Engineer, the estimated average useful life of the Project upon its completion is thirty (30) years. The cost of the Project shall not exceed the sum of \$6,000,000, plus investment earnings on the proceeds of the BANs and the New Bonds, without further authorization from the Board. The term "System" where used in this Ordinance shall be construed to mean the District's existing wastewater collection, treatment and disposal system and all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project is hereby approved and shall be constructed and the BANs and the New Bonds shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of BANs and New Bonds. (a) The District shall issue, if necessary, the BANs for the purpose of procuring interim financing to pay the cost of the Project and, if deemed appropriate, the costs of issuance of the BANs. The District may issue the BANs in an aggregate amount outstanding at any one time not to exceed Six Million Dollars (\$6,000,000) to be designated "Sewage Works Bond Anticipation Notes, Series [year in which issued] ["A" if such issue is the first series of BANs issued in that year, "B" if such issue is the second series of BANs issued in that year,

etc.]" The BANs shall be numbered consecutively from 1 and upward, and shall be in authorized denominations of \$100,000 or more, unless determined otherwise by the Treasurer of the Board, with the advice of H.J. Umbaugh & Associates, the District's financial advisor (the "Financial Advisor") and Bose McKinney & Evans, bond counsel to the District (the "Bond Counsel"), or unless sold to the Indiana Bond Bank, in which case the BANs shall be in authorized denominations of One Dollar (\$1.00) or any integral multiple thereof. The BANs shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed six percent per annum (the exact rate or rates to be determined through negotiations with the purchasers of the BANs) payable upon maturity. The BANs will mature no later than nine (9) months after their date of delivery, unless determined otherwise by the Treasurer of the Board, with the advice of the Financial Advisor and Bond Counsel, or unless sold to the Indiana Bond Bank, in which case the BANs shall mature on a date or dates determined by negotiation with the Indiana Bond Bank, with the advice of the Financial Advisor. The BANs are subject to renewal or extension at an interest rate or rates not to exceed six percent per annum (the exact rate or rates to be negotiated with the purchasers of the BANs). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

The BANs shall be issued pursuant to I.C. 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to I.C. 5-1-14-5, as amended, if sold to a financial institution or any other purchaser. The BANs shall be sold at a price not less than par if sold to the Indiana Bond Bank or at a price not less than 99.5% of the principal amount thereof if sold to any other purchaser. The District pledges to the payment of the principal of the BANs the proceeds from the issuance of the New Bonds pursuant to the Act and pledges to the payment of the interest on the BANs the proceeds from the issuance of the New Bonds pursuant to the Act or, if necessary, commencing on the due date of such interest, the Net Revenues of the System remaining after all required deposits thereof into the Sinking Fund in accordance with the 1997 Ordinance and this Ordinance. The New Bonds will be payable solely out of and constitute a first charge against the Net Revenues of the System.

(b) The District shall issue the New Bonds in the aggregate principal amount not to exceed \$6,000,000 to be designated "Sewage Works Revenue Bonds, Series [year in which issued]" for the purpose of providing funds to pay the cost of the Project, the refunding of the BANs, if issued, and the issuance costs of the New Bonds or the BANs, if issued. The New Bonds shall be sold at a price not less than the par amount thereof if sold to the Indiana Bond Bank or at a price not less than 97% of the principal amount thereof if sold to any other purchaser. The New Bonds shall be issued in fully registered form in authorized denominations of \$5,000 or any integral multiple thereof, unless sold to the Indiana Bond Bank, in which case the New Bonds shall be in authorized denominations of \$1.00 or any integral multiple thereof. The New Bonds shall be numbered consecutively from 1 and upward, originally 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 exceeding 7.0% per annum. Interest is payable semiannually on March 1 and September 1 in each year, commencing on the March 1 or September 1 following the original issue date of the New Bonds as determined by the Treasurer of the Board, with the advice of the Financial Advisor, and as set forth in the bond sale notice or the bond purchase agreement. The principal of and interest on the New Bonds shall be payable in lawful money of the United States of America. The New Bonds

shall mature or be subject to mandatory sinking fund redemption annually on September 1 of each year or semiannually on March 1 and September 1 of each year, over a period commencing in the year and ending no later than thirty (30) years after the expected date of completion of the Project and in such amounts as deemed appropriate by the Treasurer of the Board, with the advice of the Financial Advisor.

Interest on the New Bonds and the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

(c) The President and the Treasurer of the Board are authorized to select and appoint a qualified financial institution to serve as the registrar and the paying agent for the New Bonds, which registrar is hereby charged with the responsibility of authenticating the New Bonds (the "Registrar" or the "Paying Agent"). The Treasurer of the Board is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of the Registrar and the Paying Agent. The Treasurer of the Board is further authorized to pay such fees as the institution may charge for the services it provides as the Registrar and the Paying Agent, and such fees may be paid from the Sinking Fund.

(d) As to the BANs and the New Bonds, if registered in the name of the Indiana Bond Bank, the Treasurer of the Board shall serve as the Registrar and the Paying Agent and is hereby charged with the duties of the Registrar and the Paying Agent.

(e) If the New Bonds or the BANs are registered in the name of the Indiana Bond Bank, the principal thereof and the interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Indiana Bond Bank on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Indiana Bond Bank is the owner of the New Bonds or the BANs, the New Bonds or the BANs shall be presented for payment as directed by the Indiana Bond Bank.

If the New Bonds are not sold to the Indiana Bond Bank or if wire transfer payment is not required, the principal of and interest on the BANs and the principal of the New Bonds shall be payable at the principal office of the Paying Agent, and all payments of interest on the New 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 each interest payment date (the "Record Date"), at the addresses as they appear on the registration books kept by the Registrar.

All payments on the BANs and the New Bonds shall be made in any coin or currency 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.

(f) Each New Bond shall be transferable or exchangeable only upon the books of the District 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 New 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 New 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 costs of such exchange or transfer shall be borne by the District; provided, however, that the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The District, the Registrar and the Paying Agent may treat and consider the person in whose name the New 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.

(g) If the New Bonds are not sold to the Indiana Bond Bank, the New Bonds may be issued in book-entry-only form as one fully registered New Bond per maturity registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, and DTC may act as securities depository for the New Bonds. In that event, the purchase of beneficial interests in the New Bonds will be made in book-entry-only form in the denomination of \$5,000 or any multiple thereof. Purchasers of beneficial interests will not receive certificates representing their interests in the New Bonds purchased. As long as DTC, or its nominee, Cede & Co., is the registered owner of the New Bonds, payments of principal and interest will be made when due directly to such registered owner in same-day funds wired by the Paying Agent in accordance with the procedures set forth in the Blanket Issuer Letter of Representations that would be made by the District and the Paying Agent to DTC (the "DTC Letter of Representations"). In the event the New Bonds are issued in book-entry-only form and registered in the name of Cede & Co., the Treasurer of the Board is hereby authorized and directed to execute and deliver the DTC Letter of Representations.

(h) Interest on the New Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original issue date. Interest on the New Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such New Bonds are authenticated, unless a New Bond is authenticated between the Record Date and the interest payment date, in which case the interest shall be paid from such interest payment date.

(i) The President and the Treasurer of the Board, with the advice of the Financial Advisor, are hereby authorized to obtain a bond insurance policy for the BANs or the New Bonds, if such insurance is available and advantageous to the District.

Section 3. Redemption of BANs and New Bonds. (a) If deemed appropriate by the Treasurer of the Board, with the advice of the Financial Advisor, the BANs shall be prepayable by the District, in whole or in part, on or after the date determined to be most appropriate by the

Treasurer of the Board, with the advice of the Financial Advisor, upon seven days' notice to the owner of the BANs, without any premium, but with accrued interest to the date of prepayment.

(b) The New Bonds are redeemable at the option of the District on any date, but no earlier than March 1, 2006, on sixty (60) days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at the par amount thereof, together with a premium not greater than 2%, plus, in each case, accrued interest to the date fixed for redemption. The exact redemption features shall be determined by the Treasurer of the Board with the advice of the Financial Advisor.

If any New Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the New Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the District, any New 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 New Bond maturing as a term bond so delivered or canceled 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 New 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 New Bonds maturing as term bonds to the extent received on or before sixty-five (65) days preceding the applicable mandatory redemption date.

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

(c) Notice of redemption shall be given not less than sixty (60) days prior to the date fixed for redemption unless such redemption notice is waived by the owner of the New Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the District as of the date which is sixty-five (65) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the New Bonds called for redemption. The place of redemption may be determined by the District. Interest on the New 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.

(d) The New Bonds shall be called for redemption in multiples of their minimum authorized denomination. The New Bonds in denominations of more than the minimum authorized denomination shall be treated as representing the number of New Bonds obtained by dividing the denomination of the New Bond by the minimum authorized denomination within a maturity. The New Bonds may be redeemed in part. In the event of redemption of New Bonds in part, upon surrender of the New Bond to be redeemed, a new New Bond or Bonds in an aggregate principal

amount equal to the unredeemed portion of the New Bond surrendered shall be issued to the registered owner thereof.

Section 4. Execution of New Bonds and BANs: Pledge of Net Revenues to New Bonds. The BANs and the New Bonds shall be executed in the name of the District by the manual signature of the President of the Board and attested by the manual signature of the Secretary of the Board. The New Bonds must be authenticated by an authorized officer of the Registrar or by the Treasurer of the Board, if the Treasurer is acting as the Registrar.

The 1997 Bonds and the New Bonds (the "Bonds"), and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the System. The District shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the System, and the New Bonds shall not constitute an indebtedness of the District within the meaning of the provisions and limitations of the constitution of the State of Indiana (the "State").

Section 5. Form of New Bonds. The form and tenor of the New Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to the delivery thereof:

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF JENNINGS

JENNINGS NORTHWEST REGIONAL UTILITIES
SEWAGE WORKS REVENUE BOND, SERIES _____

No. R-1

<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Issue Date</u>	<u>Authentication</u> <u>Date</u>	<u>[CUSIP]</u>
[See Exhibit A]	_____%	_____, ____		

Registered Owner:

Principal Amount:

Jennings Northwest Regional Utilities (the "District"), in Jennings County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Amount specified above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the Registered Owner making payment for this _____ Bond (as defined below), or its assigns,] on the Maturity Date set forth above (unless this _____ Bond is subject to and shall have been duly called for redemption as provided for herein), and to pay interest hereon until the Principal Amount shall be fully 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 _____ 15, 199__, in which case it shall bear interest from [the Original Issue Date,] [_____ 19__], which interest is payable semiannually on the first days of March and September of each year, beginning on _____ 1, 199__. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of this _____ Bond is payable at the principal office of _____ (the "Registrar" or the "Paying Agent"), in the _____ of _____, Indiana.] All payments of [principal of and] interest on this _____ Bond shall be paid by [check mailed one business day prior to the interest payment date] [wire transfer for deposit to a financial institution as directed by the Indiana Bond Bank (the "Bond Bank") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the Registered Owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by [the Treasurer of the Board of Trustees (the "Board") of the District (the "Registrar" or the "Paying Agent") in the City

of North Vernon, Indiana] [the Registrar]. All payments on the District's Sewage Works Revenue Bonds, Series _____ (the "_____ Bonds"), shall be made in any coin or currency 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.

This _____ Bond shall not constitute an indebtedness of the District within the meaning of the provisions and limitations of the constitution of the State of Indiana (the "State"), and the District shall not be obligated to pay this _____ Bond or the interest hereon except from the special fund provided from the Net Revenues (herein defined as the gross revenues of the System (herein defined as the District's wastewater collection, treatment and disposal system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired) remaining after the payment of the reasonable expense of operation, repair and maintenance of the System).

[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 by the laws and Constitution of the State to be done precedent to and in the preparation and completion of the execution, issuance and delivery of this _____ Bond have been properly 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 or its successor.

IN WITNESS WHEREOF, the District has caused this _____ Bond to be executed in its corporate name by the manual signature of the President of the Board [of Trustees of the District (the "Board")] and attested manually by the Secretary of the Board.

JENNINGS NORTHWEST REGIONAL
UTILITIES

By: _____
President of its Board of Trustees

ATTEST:

By: _____
Secretary of its Board of Trustees

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this _____ Bond is one of the _____ Bonds described in the within mentioned 1998 Ordinance.

TREASURER, BOARD OF TRUSTEES,
JENNINGS NORTHWEST REGIONAL
UTILITIES, as Registrar]

as Registrar

By: _____
Authorized Representative]

[(To be printed on reverse side)]

This _____ Bond is one of an authorized series of _____ Bonds of like date, tenor and effect, except as to numbering, interest rates per annum, and dates of maturity, in the total amount of _____ Dollars (\$ _____) numbered consecutively from 1 and upward, issued for the purpose of providing funds to pay the cost of the enlargement of, and the construction of certain improvements and extensions to, the System (the "Project"), [to refund interim notes issued in anticipation of the _____ Bonds (the "BANs")] and to pay the costs of issuance of the _____ Bonds [and the BANs], as authorized by: (i) Ordinance No. 1997-6, Amending and Restating Ordinance No. 1997-4, adopted by the Board on September 4, 1997, entitled "An ordinance amending and restating Ordinance No. 1997-4, concerning the acquisition by Jennings Northwest Regional Utilities of Jennings County, Indiana, of a wastewater collection and treatment system and improvements thereto, the issuance of a Bond Anticipation Note and revenue Bonds to apply to the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of the revenue Bonds, and other matters connected therewith, including the issuance of Bonds (the "1997 Ordinance"); and (ii) an ordinance adopted by the Board on _____, 1998, entitled "An Ordinance concerning the enlargement of, and the construction of certain improvements and extensions to, the wastewater collection, treatment and disposal system of Jennings Northwest Regional Utilities, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of that system, the safeguarding of the interest of the owners of those revenue bonds and other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith" (the "1998 Ordinance"), and in strict compliance with the provisions of I.C. 13-26-10, as in effect on the issue date of this _____ Bond (the "Act").

Pursuant to the provisions of the 1997 Ordinance, the 1998 Ordinance (collectively, the "Ordinances") and the Act, the principal of and interest on this _____ Bond, all other _____ Bonds, the District's currently outstanding Sewage Works Revenue Bonds of 1997, Series A (the "1997 Bonds"), issued pursuant to the 1997 Ordinance, and any bonds hereafter issued ranking on a parity therewith (collectively, the "Bonds"), are payable solely from the Jennings Northwest Regional Utilities Wastewater System Sinking Fund created by the 1997 Ordinance (the "Sinking Fund") to be provided from the Net Revenues of the System.

The District irrevocably pledges the entire Net Revenues of the System to the prompt payment of the principal of and interest on the Bonds 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 the System as are sufficient in each year for the payment of the proper and reasonable expenses of the operation, repair and maintenance of the System and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinances. If the District or the proper officers of the District shall fail or refuse to fix, maintain and collect such rates or charges, or if there shall be a default in the payment of the principal of or interest on the Bonds when due, the owner of this _____ Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the System (but only in the event of a default in the payment of the principal of or the interest on the Bonds when due), and, by civil action, to protect and enforce rights granted by the Act or under the Ordinances in connection with any action or duty to be performed by the District, the Board or any officer of the District, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

The District further covenants that it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues to pay (a) the principal of and interest on all Bonds, as such principal and interest shall come due; (b) the necessary fiscal agency charges for paying the principal of and interest on the Bonds; and (c) an additional amount to create and maintain the reserves required by the Ordinances. Such required payments shall constitute a first charge upon all the Net Revenues of the System.

The _____ Bonds maturing on and after September 1, 20____, are redeemable at the option of the District on _____ 1, 20____, or any date thereafter, on sixty (60) days' notice, in whole or in part, in inverse order of maturity and by lot within a maturity, at face value together with the following premiums:

_____ % if redeemed on _____, or thereafter on
or before _____;
_____ % if redeemed on _____, or thereafter on
or before _____;
_____ % if redeemed on _____, or thereafter
prior to maturity;

plus in each case accrued interest to the date fixed for redemption.

[The _____ Bonds maturing on September 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 September 1 in the years and the amounts set forth below:

Year

Amount

*

\$

*Final maturity.]

[In the event the _____ Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select the _____ Bonds for mandatory sinking fund redemption before selecting the _____ Bonds for optional redemption.]

Notice of redemption shall be mailed to the address of the Registered Owner as shown on the registration record of the District, as of the date which is sixty-five (65) days prior to such redemption date, not less than sixty (60) days prior to the date fixed for redemption. 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 District. 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.

[The _____ Bonds shall be called for redemption in multiples of \$5,000. The _____ Bonds in denominations of more than \$5,000 shall be treated as representing the number of _____ Bonds obtained by dividing the denomination of the _____ Bond by \$5,000 within a maturity.] The _____ Bonds may be redeemed in part. In the event of redemption of _____ Bonds in part, upon surrender of the _____ Bond to be redeemed, a new _____ Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the _____ Bond surrendered shall be issued to the Registered Owner.

If this _____ Bond shall not be presented for payment or redemption on the date fixed therefor, and the District shall have deposited in trust with [the Paying Agent] [its depository bank] an amount sufficient to pay this _____ Bond or the redemption price, as the case may be, then the Registered Owner shall thereafter look only to the funds so deposited in trust with [the Paying Agent] [said bank] for payment and the District shall have no further obligation or liability with respect thereto.

This _____ Bond is transferable or exchangeable only upon the books of the District 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 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. The District, the Registrar and the Paying Agent 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 maturing in any one year are issuable only in fully registered form in the denomination of [\$1.00] [\$5,000] or any integral multiple thereof.

The Registered Owner by the acceptance hereof, hereby agrees to all the terms and provisions contained in the 1998 Ordinance. The 1998 Ordinance may be amended without the consent of the owners of the _____ Bonds as provided in the 1998 Ordinance if the Board determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the _____ Bonds; provided, however, that if the _____ Bonds are sold to the Bond Bank, the District shall obtain the prior written consent of the Bond Bank].

[A Continuing Disclosure Undertaking Agreement, dated as of the Original Issue Date (the "Disclosure Agreement"), has been executed by the District for the benefit of each registered or beneficial owner of any _____ Bond. A copy of the Disclosure Agreement is available from the District and its terms are incorporated herein by this reference. The Disclosure Agreement contains certain covenants of the District to each registered or beneficial owner of any _____ Bond, including a covenant to provide continuing disclosure of certain annual financial information and notices of the occurrence of certain events, if material. By its payment for and acceptance of this _____ Bond, the Registered Owner and any beneficial owner of this _____ Bond assents to the Disclosure Agreement and to the exchange of such payment and acceptance for such covenants.]

The following abbreviations, when used in the inscription on the face of this _____ Bond, shall be construed as though they were written out in full according to applicable laws or regulations. Capitalized terms not otherwise defined herein are used as defined in the 1998 Ordinance.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name and address of Assignee)

(Please insert social security or other identifying number of Assignee)

(insert number for first named transferee if held by joint account)

the within _____ Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the said _____ Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

REGISTERED OWNER:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within _____ Bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation or anyone in a representative capacity, proof of authority to act must accompany this assignment.

Signature guaranteed by:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

EXHIBIT A

**JENNINGS NORTHWEST REGIONAL UTILITIES
SEWAGE WORKS REVENUE BOND, SERIES _____**

<u>Maturity Dates</u>	<u>Principal Due</u>	<u>Interest Payment Dates</u>	<u>Interest Due</u>	<u>Aggregate of Principal and Interest Due</u>
		3/1/99	\$	\$
		9/1/99	\$	\$
9/1/00	\$	3/1/00	\$	\$
		9/1/00	\$	\$
9/1/01	\$	3/1/01	\$	\$
		9/1/01	\$	\$
9/1/02	\$	3/1/02	\$	\$
		9/1/02	\$	\$
9/1/03	\$	3/1/03	\$	\$
		9/1/03	\$	\$
9/1/04	\$	3/1/04	\$	\$
		9/1/04	\$	\$
9/1/05	\$	3/1/05	\$	\$
		9/1/05	\$	\$
9/1/06	\$	3/1/06	\$	\$
		9/1/06	\$	\$
9/1/07	\$	3/1/07	\$	\$
		9/1/07	\$	\$
9/1/08	\$	3/1/08	\$	\$
		9/1/08	\$	\$
9/1/09	\$	3/1/09	\$	\$
		9/1/09	\$	\$
9/1/10	\$	3/1/10	\$	\$
		9/1/10	\$	\$
9/1/11	\$	3/1/11	\$	\$
		9/1/11	\$	\$
9/1/12	\$	3/1/12	\$	\$
		9/1/12	\$	\$
9/1/13	\$	3/1/13	\$	\$
		9/1/13	\$	\$
9/1/14	\$	3/1/14	\$	\$
		9/1/14	\$	\$
9/1/15	\$	3/1/15	\$	\$
		9/1/15	\$	\$
9/1/16	\$	3/1/16	\$	\$
		9/1/16	\$	\$
9/1/17	\$	3/1/17	\$	\$
		9/1/17	\$	\$
9/1/18	\$	3/1/18	\$	\$
		9/1/18	\$	\$
9/1/19	\$	3/1/19	\$	\$
		9/1/19	\$	\$

The following is a full, true and correct copy of the legal opinion of Bose McKinney & Evans, attorneys at law, Indianapolis, Indiana ("Bond Counsel"). The original of Bond Counsel's opinion was manually executed, dated and issued as of the day of delivery of and payment for the _____ Bonds. An executed copy of Bond Counsel's opinion is on file in the office of the Treasurer of the Board of Trustees of Jennings Northwest Regional Utilities, Jennings County, Indiana.

Re: Jennings Northwest Regional Utilities, Indiana
Sewage Works Revenue Bonds, Series _____

Ladies and Gentlemen:

We have acted as bond counsel to Jennings Northwest Regional Utilities, Indiana (the "District"), in connection with the issuance of its Sewage Works Revenue Bonds, Series _____, dated _____, (the "_____ Bonds"). In our capacity as bond counsel, we have examined the law, including constitutions, statutes, regulations, published rulings and judicial decisions existing on the date of this opinion, the certified transcript of the proceedings relating to the issuance of the _____ Bonds (the "Transcript") and such other documents as we have deemed necessary to render this opinion.

The _____ Bonds are issued pursuant to Title 13, Article 26, Chapter 10 of the Indiana Code, and ordinances adopted by the Board of Trustees of the District (the "Board") on September 4, 1997 (the "1997 Ordinance"), and on _____, 1998 (the "1998 Ordinance"). Under the 1997 Ordinance and the 1998 Ordinance (collectively, the "Ordinances"), the District has pledged, on a parity basis, certain revenues (the "Revenues") for the payment, when due, of the principal of and premium, if any, and interest on the District's currently outstanding Sewage Works Revenue Bonds of 1997, Series A, issued pursuant to the 1997 Ordinance, the _____ Bonds and any other bonds of equal standing which are hereafter issued within the restrictions of the Ordinances (collectively, the "Bonds").

As to questions of fact material to our opinion, we have relied upon the Transcript and other certifications furnished to us, including tax covenants and representations of the District, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The District is validly existing as a municipal corporation, organized under the laws of the State of Indiana, with the power to adopt the 1998 Ordinance, perform the agreements on its part contained therein and issue the _____ Bonds.
2. The 1998 Ordinance has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable in accordance with its terms upon the District.

3. The 1998 Ordinance creates a valid lien on the Revenues and other funds pledged by the Ordinances for the security of the _____ Bonds on a parity with the other Bonds.
4. The _____ Bonds have been duly authorized, executed and delivered by the District and are valid and binding limited obligations of the District, payable solely from the Revenues and other funds provided therefor in the Ordinances.
5. Interest on the _____ Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), which must be satisfied subsequent to the issuance of the _____ Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the _____ Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the _____ Bonds. Except as stated in paragraph 6, we express no opinion regarding other federal tax consequences arising with respect to the _____ Bonds.
6. All of the _____ Bonds have been designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.
7. The interest on the _____ Bonds is exempt from taxation in the State of Indiana (the "State") for all purposes except for State inheritance taxes and the franchise tax imposed upon financial institutions pursuant to Title 6, Article 5.5 of the Indiana Code.

It is to be understood that the rights of the owners of the _____ Bonds and the enforceability of any document or instrument referred to or described in this opinion, including the _____ Bonds, may be limited: (i) by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity, whether considered at law or in equity; and (ii) by the valid exercise of the constitutional powers of the United States of America or the State.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law which may hereafter occur.

Very truly yours,

BOSE McKINNEY & EVANS

[End of the New Bond Form.]

Section 6. Preparation and Sale of BANs and New Bonds. The Treasurer of the Board is hereby authorized and directed to have the BANs and the New Bonds prepared, and the President and the Secretary of the Board are hereby authorized and directed to execute the BANs and the New Bonds in the form and manner herein provided. The Treasurer of the Board is hereby authorized and directed to deliver the BANs and the New Bonds to the respective purchasers thereof after the sale made in accordance with the provisions of this Ordinance, provided that at the time of such delivery, the Treasurer of the Board shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than the applicable minimum percentage of the par value of the BANs or the New Bonds set forth in Section 2 of this Ordinance. The District may receive payment for the BANs and the New Bonds in installments. The New Bonds, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the District, payable out of the Net Revenues of the System to be set aside into the Sinking Fund as provided herein. The proceeds derived from the sale of the BANs and the New Bonds shall be and are hereby set aside to pay the costs of the Project, the refunding of the BANs, if applicable, and the expenses necessarily incurred in connection with the issuance of the BANs and the New Bonds. The proper officers of the District 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.

Section 7. New Bond Sale Notice. If the New Bonds will be sold at a competitive sale, the Treasurer of the Board shall cause to be published either (i) a notice of such sale in the North Vernon Plain Dealer and the North Vernon Sun, each a newspaper published in Jennings County, Indiana, 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 in the North Vernon Plain Dealer, the North Vernon Sun, and the Court & Commercial Record, a newspaper of general circulation published in the state capital, once each week for two weeks, with the date of the last publication of each being at least seven (7) days prior to the date by which any person interested in submitting a bid for the New Bonds must submit its name, address and telephone number to the Financial Advisor, all in accordance with I.C. 5-1-11, as amended, and I.C. 5-3-1, as amended. A notice of sale may also be published one time in the Court & Commercial Record, and a notice or summary notice may also be published in The Bond

Buyer in New York, New York. The notice shall state the character, the amount and the authorized denominations of the New Bonds, the maximum rate or rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Treasurer of the Board and the attorneys employed by the District shall deem advisable. Any summary notice may contain any information deemed so advisable. The notice may provide, among other things: (i) that each bid shall be accompanied by a certified or cashier's check or a financial surety bond in an amount equal to 1% of the principal amount of the New Bonds described in the notice and that in the event the successful bidder shall fail or refuse to accept delivery of the New Bonds and pay for the same as soon as the New Bonds are ready for delivery, or at the time fixed in the notice of sale, then such good faith deposit and the proceeds thereof or the proceeds of any authorized draw on the financial surety bond, as applicable, shall be the property of the District and shall be considered as its liquidated damages on account of such default; and (ii) that bidders for the New Bonds will be required to name the rate or rates of interest which the New 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 bid or bid for less than the par amount of the New Bonds will be considered. The opinion of Bond Counsel, approving the legality of the New Bonds, will be furnished to the purchaser at the expense of the District.

The New Bonds shall be awarded by the Treasurer of the Board to the best bidder who has submitted its bid in accordance with the terms of this Ordinance, I.C. 5-1-11, as amended, and the notice. The best bidder will be the one who offers the lowest interest cost to the District, to be determined by computing the total interest on all of the New Bonds to their maturities and deducting the premium bid, if any, or adding thereto the amount of any discount bid, if any. The right to reject any and all bids shall be 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 District than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the Treasurer of the Board may negotiate the sale of the New Bonds to any purchaser in a manner and at a price that is determined to be in the best interests of the District, with the advice of the Financial Advisor, or to the Indiana Bond Bank. The President and the Treasurer of the Board are hereby authorized to (i) submit an application to the Indiana Bond Bank, (ii) execute a purchase agreement with the Indiana Bond Bank, and (iii) sell the New Bonds upon such terms as are acceptable to the President and the Treasurer of the Board consistent with the terms of this Ordinance.

Section 8. Use of Proceeds. The accrued interest received at the time of the delivery of the New Bonds and the premium, if any, shall be deposited in the Sinking Fund. The remaining proceeds from the sale of the New Bonds, to the extent not used to refund BANs, and the BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the District, in a special account or accounts to be designated the "Jennings Northwest Regional Utilities 1998 Wastewater System Acquisition and Construction Account" (the

"Construction Account"). All funds deposited to the credit of the Sinking Fund or the Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State relating to the depositing, holding, securing or investing of public funds, including particularly I.C. 5-13 and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, paying the costs of issuance of the New Bonds or the BANs or as otherwise required by the Act. The cost of obtaining the legal services of Bond Counsel shall be considered as a part of the cost of the Project.

The District hereby declares that it reasonably expects to reimburse the District's advances to the Project from proceeds of the BANs or the New Bonds, as anticipated by this Ordinance.

Any balance or balances remaining unexpended in the Construction Account after the completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall be paid into the Sinking Fund and used solely for the purpose of paying the interest on the New Bonds when due until depleted, all in accordance with the Act.

Section 9. Revenue Fund. All income and revenues of the System shall be deposited upon receipt into the Jennings Northwest Regional Utilities Wastewater System Revenue Fund created by the 1997 Ordinance (the "Revenue Fund"). The Revenue Fund shall be maintained separate and apart from all other accounts of the District. All moneys deposited in the Revenue Fund may be invested in accordance with I.C. 5-13-9, as amended, and other applicable laws.

Section 10. Operation and Maintenance Fund. There shall be transferred from the Revenue Fund and credited to the Wastewater System Operation and Maintenance Fund created by the 1997 Ordinance (the "Operation and Maintenance Fund") on the last day of each calendar month a sufficient amount of the revenues of the System so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the System for the then next succeeding two calendar months. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the System on a day-to-day basis, but none of the moneys in such fund shall be used for depreciation, replacements, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sinking Fund if necessary to prevent a default in the payment of the principal of or interest on the then outstanding Bonds.

Section 11. Sinking Fund. (a) General. There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the System to meet the requirements of the Wastewater System Bond and Interest Account and the Wastewater System Debt Service Reserve Account created in the Sinking Fund pursuant to the 1997 Ordinance (the "Bond and Interest Account" and the "1997 Reserve Account," respectively) and the 1998 Reserve Account hereby created in the Sinking Fund (the "1998 Reserve Account"). Such payments shall continue until the balance in the Bond and Interest Account, plus the balances in the 1997

Reserve Account and the 1998 Reserve Account (collectively, the "Reserve Accounts"), equals the amount needed to redeem all of the then outstanding Bonds.

(b) Bond and Interest Account. There shall be transferred, on the last day of each calendar month, from the Revenue Fund and credited to the Bond and Interest Account: (i) commencing in the month the New Bonds are issued, an amount of the Net Revenues (or the entire balance if less than the required amount) equal to a fraction of the total amount of interest on the then outstanding Bonds coming due on the next interest payment date (after deducting therefrom the amount already on deposit in the Bond and Interest Account on the date of issuance of the New Bonds for the payment of such interest), which fraction shall be the quotient of one divided by the number of calendar months during which the New Bonds will be outstanding prior to that first interest payment date; (ii) commencing in the month the New Bonds are issued, an amount of the Net Revenues (or the entire balance if less than the required amount) equal to a fraction of the total amount of principal of the then outstanding Bonds coming due on the next principal payment date, whether by maturity or mandatory redemption (after deducting therefrom the amount already on deposit in the Bond and Interest Account on the date of issuance of the New Bonds for the payment of such principal), which fraction shall be the quotient of one divided by the number of calendar months during which the New Bonds will be outstanding prior to that first principal payment date; (iii) commencing in the month of the first interest payment date for the Bonds following the date of issuance of the New Bonds, an amount of the Net Revenues (or the entire balance if less than the required amount) equal to one-sixth of the interest on the then outstanding Bonds coming due on the next interest payment date; (iv) commencing in the September following the date of issuance of the New Bonds, an amount of the Net Revenues (or the entire balance if less than the required amount) equal to one-twelfth of the principal of the then outstanding 1997 Bonds coming due on their next principal payment date, whether by maturity or mandatory redemption; and (v) commencing in the sixth or twelfth month prior to the first principal payment date of the New Bonds, an amount of the Net Revenues (or the entire balance if less than the required amount) equal to one-sixth or one-twelfth, respectively, of the principal of the then outstanding New Bonds coming due on their next principal payment date, whether by maturity or mandatory redemption, if the principal of the New Bonds are payable semiannually or annually, respectively. There shall similarly be credited to the Bond and Interest Account any amount necessary to pay the charges of the Paying Agent, if other than the Treasurer of the Board, for paying the principal of and interest on the Bonds as the same become payable. The District shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the Paying Agent sufficient moneys to pay the principal and interest on their due dates together with the amount of the charges of the Paying Agent, if other than the Treasurer of the Board.

(c) 1998 Reserve Account. Beginning with the first full calendar month after the date of completion of the Project, the District shall transfer from the Revenue Fund on the last day of each calendar month and deposit an amount of Net Revenues into the 1998 Reserve Account until the balance therein equals but does not exceed the least of (i) the maximum annual debt service on the New Bonds, (ii) 125% of the average annual debt service on the New Bonds, (iii) 10% of the proceeds of the New Bonds, or (iv) the maximum amount authorized under the Internal Revenue Code of 1986, as amended (the "1998 Reserve Requirement"). Upon the defeasance of a portion of

the New Bonds in connection with a refunding thereof in accordance with Section 3 of this Ordinance, the 1998 Reserve Requirement will on and after such date be equal to the least of (i) the maximum annual debt service on the New Bonds then outstanding under this Ordinance in the then current and any succeeding year, (ii) 125% of the then remaining average annual debt service on the New Bonds then outstanding under this Ordinance, or (iii) 10% of the proceeds of the New Bonds. The preceding sentence shall be applicable only if the amount of the new 1998 Reserve Requirement is less than the prior 1998 Reserve Requirement. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the 1998 Reserve Requirement within five (5) years of the date of delivery of the New Bonds. The priority of the deposit of Net Revenues into the 1998 Reserve Account shall be on a parity with the deposit of Net Revenues into the 1997 Reserve Account.

The 1998 Reserve Account shall constitute a margin for safety and a protection against default in the payment of the principal of and interest on outstanding New Bonds, and the moneys in the 1998 Reserve Account shall be used to pay the principal of and interest on outstanding New Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. The 1998 Reserve Account shall not be pledged to nor be security for the 1997 Bonds, and the holders of the 1997 Bonds shall not have any right to be paid out of the deposit in the 1998 Reserve Account. Any deficiency in the balance maintained in the 1998 Reserve Account shall be promptly made up from the next available Net Revenues remaining after the required deposits into the Bond and Interest Account. If moneys in the 1998 Reserve Account are transferred to the Bond and Interest Account to pay the principal of and interest on outstanding New Bonds, then that depletion of the balance in the 1998 Reserve Account shall be made up from the next available Net Revenues after the required deposits into the Bond and Interest Account. If there are insufficient Net Revenues and moneys on deposit in the Jennings Northwest Regional Wastewater System Utility Improvement Fund created pursuant to the 1997 Ordinance (the "Improvement Fund") in any month to make the deposits into the 1998 Reserve Account required by this Section 11(c) and Section 12 of this Ordinance and into the 1997 Reserve Account required by the 1997 Ordinance, the amount required to be deposited in the 1998 Reserve Account shall be equal to the product of (i) the required deposit into the 1998 Reserve Account divided by the aggregate of the required deposits into the Reserve Accounts and (ii) the amount of Net Revenues available for deposit into the Reserve Accounts. Investments in the 1998 Reserve Account will be valued at least annually at their current market value. If, after such valuation, it is determined that the amount on deposit in the 1998 Reserve Account is in excess of the 1998 Reserve Requirement, such excess shall be transferred to the Revenue Fund for use as set forth in the Ordinances.

Section 12. Improvement Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues in the Revenue Fund may be transferred or credited to the Improvement Fund, which shall be used for System additions, extensions, replacements and improvements. Any other available and unrestricted moneys of the System not otherwise deposited pursuant to the terms of the 1997 Ordinance or this Ordinance shall be transferred to the Improvement Fund and used for capital improvements to the System or for any other lawful purpose. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of the principal of and interest on any outstanding

Bonds payable from Net Revenues or the interest on the BANs or, if necessary, to eliminate any deficiencies in the deposits or the minimum balances in the Reserve Accounts as required by the 1997 Ordinance and Section 11(c) of this Ordinance, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the System.

Section 13. Maintenance of 1998 Reserve Account. The 1998 Reserve Account shall be maintained as a separate account from all other accounts of the District. All moneys deposited in the 1998 Reserve Account shall be deposited, held and secured as public funds in accordance with the public depository laws of the State; provided that moneys therein may be invested in obligations in accordance with applicable laws, including I.C. 5-13, as amended or supplemented, and Section 19 of this Ordinance and in the event of such investment, the income therefrom shall become a part of the 1998 Reserve Account and shall be used only as provided in this Ordinance.

Section 14. Maintenance of Books and Records. The District shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the System, all disbursements made on account of the System, and all other transactions relating to the System. Any owner of at least \$25,000 in principal amount of the New Bonds then outstanding shall have the right at all reasonable times to inspect the System and all records, accounts, statements, audits, reports and data of the District relating to the System. Such inspections may be made by representatives duly authorized by written instrument.

The District shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the System in accordance with (i) generally accepted accounting principles as set forth in the Uniform System of Accounts for Wastewater (Sewage) Utilities, published by the Water Pollution Control Federation, and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 15. Rate Covenant. The District covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the System, or that in any way uses or is served by the System, or that could be legally required to be connected to and use the System, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the District) to provide for the payment of the proper and reasonable expenses of the operation, repair and maintenance of the System, to comply with and satisfy all covenants contained in this Ordinance and to pay all obligations of the System and of the District with respect to the System. The District covenants and agrees that it will establish rates and charges in a manner which reflects a customer's fair share of the System's capital costs and a customer's proportionate share of the costs of the proper and reasonable expenses of the operation, repair and maintenance of the System. The fair share of the System's capital costs shall be determined by the District. The proportionate share of the costs of the proper and reasonable expenses of the operation, repair and maintenance of the System shall be based on the actual (or estimated) wastewater flow and loading contributed by a

customer in relation to the total wastewater flow and loading contributed by all customers. Such rates and 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 of the System and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of the System by and service rendered to the District, and shall be paid by the District or the various departments thereof as the charges accrue.

Section 16. Defeasance of New Bonds. If: (i) any of the New Bonds 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 New Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal, the interest and the premium, if any, so due and payable upon all of the New Bonds or any designated portion thereof then outstanding shall be paid; or (ii) the District shall cause to be held in trust for the purpose of paying the principal of, premium, if any, and interest due on the New Bonds or any designated portion thereof, money, together with direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due, will be sufficient without reinvestment to make such payments, and provision shall also be made for paying all the fees and expenses for the redemption of such New Bonds, then and in that case such New Bonds shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the System.

Section 17. Additional Bond Provisions. The District reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The District reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of the System, ranking on a parity with the Bonds, for the purpose of financing the cost of future additions, improvements, enlargements or extensions to the System, or to refund obligations, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the Net Revenues of the System shall have been paid in accordance with their terms.

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

For purposes of this subsection, on and after the date the 1997 Bonds are no longer outstanding under the 1997 Ordinance, the fiscal year immediately preceding the issuance of any

additional bonds shall be the most recent fiscal year ending not less than three months prior to the date of issuance of such additional bonds.

(c) The principal of, or mandatory sinking fund redemption for, and interest on said additional parity bonds shall be payable on dates and in amounts as the District shall determine.

Notwithstanding the foregoing, on and after the date the 1997 Bonds are no longer outstanding under the 1997 Ordinance, the District may issue additional bonds to refund a portion of the New Bonds, if, after such issuance, the annual interest and principal requirements of the then outstanding New Bonds and such refunding bonds in each year until the final maturity of the then outstanding New Bonds or such refunding bonds is less than the annual interest and principal requirements of the New Bonds outstanding immediately prior to such issuance in each year until the final maturity of such outstanding New Bonds.

Section 18. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and the New Bonds, it is specifically provided as follows:

(a) All contracts let by the District in connection with the construction of the Project shall be let after due advertisement as required by the laws of the State, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of such contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State in the case of public contracts, and shall be governed in all respects by the laws of the State relating to public contracts.

(b) The Project shall be constructed under the supervision and subject to the approval of the Engineer. All estimates for work done or material furnished shall first be checked by the Engineer and approved by the District prior to the payment therefor.

(c) So long as any of the BANs or the New Bonds are outstanding, the District shall at all times maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the BANs or the New Bonds are outstanding, the District shall acquire and maintain insurance coverage, including fidelity bonds, to protect the System and its operations 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. The proceeds of insurance or condemnation awards shall be used to replace or restore the System or deposited in the Sinking Fund.

(e) So long as any of the BANs or the New Bonds are outstanding, the District shall not sell, transfer, lease, mortgage, pledge or otherwise encumber the property and plant of the System, or any portion thereof, or any interest therein, except for such machinery, equipment or other

property as shall be replaced or shall become worn out, obsolete or no longer suitable for use in connection with the System.

(f) Except as otherwise specifically provided in Section 17 hereof, so long as any of the New Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the System shall be authorized, executed or issued by the District, except those as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed, retired or defeased pursuant to the 1997 Ordinance and Section 16 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The District shall take all action or proceedings necessary and proper, to the extent permitted by law and economically practicable, to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewers. The District shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with the System.

(h) The provisions of this Ordinance shall constitute a contract by and between the District and the owners of the New Bonds and the BANs, all the terms of which shall be enforceable by any holder of the New Bonds or the BANs by any and all appropriate proceedings in law or equity. After the issuance of the New Bonds or the BANs, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the New Bonds or the BANs nor shall the Board or any other body of the District adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the New Bonds or the BANs remain outstanding. Except for the changes set forth in Section 21(a)-(g), this Ordinance may be amended, however, without the consent of the BAN or New Bond owners, if the Board determines, in its sole discretion, that such amendment would not adversely affect the rights of any of the owners of the BANs or the New Bonds; provided, however, that if the New Bonds or the BANs are sold to the Indiana Bond Bank, the District shall obtain the prior written consent of the Indiana Bond Bank.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the New Bonds and the BANs for the uses and purposes set forth herein, and the owners of the New Bonds and the BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and the 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 the Sinking Fund as set forth in this Ordinance. The owners of the New Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer the System, in the event of default in the payment of the principal of or the interest on any of the New Bonds. Upon the appointment of such receiver, the receiver may: (i) charge and collect rates sufficient to provide for the payment of the expenses of the operation, repair and maintenance of the System; (ii) pay the principal of and interest on any bonds payable from Net Revenues; and (iii) apply the revenues of the System in conformity with the Act and this Ordinance. In addition, any owner of the New Bonds may, by civil action, protect and enforce rights granted by

the Act or under this Ordinance in connection with any action or duty to be performed by the District, the Board or any officer of the District, including the making and collecting of reasonable and sufficient charges and rates for services provided by the System.

(j) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the District derived from any source other than the proceeds of the BANs, the New Bonds or the operation of the System.

Section 19. Investment of Funds. (a) The Treasurer of the Board is hereby authorized pursuant to I.C. 5-1-14-3, as amended, to invest moneys pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to insure the yield on such investments is equal to the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the New Bonds and the BANs under federal law.

(b) The Treasurer of the Board shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created pursuant to the 1997 Ordinance or this Ordinance. In order to comply with the provisions of this Ordinance, the Treasurer of the Board is hereby authorized and directed to employ consultants or attorneys from time to time to advise the District as to requirements of federal law to preserve the tax exclusion described above. The Treasurer of the Board may pay the fees of such consultants or attorneys as operation expenses of the System.

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

(a) No person or entity, other than the District or another state or local governmental unit, will use the proceeds of the New Bonds or the BANs or the property financed by the New Bond or BAN proceeds other than as a member of the general public. No person or entity other than the District or another state or local governmental unit will own property financed by the New Bond or BAN proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, or any arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

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

(c) No New Bond or BAN proceeds will be loaned to any entity or person other than another state or local governmental unit. No New Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the New Bond or BAN proceeds.

(d) The District will not take any action nor fail to take any action with respect to the New Bonds or the BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the New Bonds or the BANs pursuant to Section 103 of the Code, nor will the District act in any other manner which would adversely affect such exclusion.

(e) It shall not be an event of default under this Ordinance if the interest on any New Bonds or BANs 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 New Bonds or the BANs, as the case may be.

(f) These covenants are based solely on current law in effect and in existence on the date of delivery of the New Bonds or the BANs, as the case may be.

(g) Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the exclusion of the interest on the BANs and the New Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 21. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 18(h) hereof, and not otherwise, the owners of not less than seventy-five percent (75%) in aggregate principal amount of the New Bonds 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 District of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the District 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 if the New Bonds or the BANs are sold to the Indiana Bond Bank, the District shall obtain the prior written consent of the Indiana Bond Bank; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any New Bond; or

(b) A reduction in the principal amount of any New 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 or Net Revenues of the System prior to the pledge thereof create by this Ordinance; or

- (d) A preference or priority of any New Bond or Bonds over any other New Bond or Bonds; or
- (e) A reduction in the aggregate principal amount of the New Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the 1998 Reserve Requirement; or
- (g) The extension of mandatory sinking fund redemption dates for the New Bonds, if any.

If the owners of not less than seventy-five percent (75%) in aggregate principal amount of the New 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 Treasurer of the Board, no owner of any New Bond 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 to enjoin or restrain the Board 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 District and all owners of the New 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 District and of the owners of the New Bonds, and the terms and provisions of the New Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the District and the consent of the owners of all the New Bonds then outstanding.

Section 22. Issuance of BANs. (a) The District, having satisfied all the statutory requirements for the issuance of the New Bonds, may elect to issue the BAN or BANs to a financial institution, the Indiana Bond Bank or any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (the "Bond Anticipation Note Agreement") to be entered into between the District and the purchaser of the BAN or BAN, but only if such Agreement is deemed necessary by Bond Counsel. The Board hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing the New Bonds to provide interim financing for the Project until permanent financing becomes available and, if deemed appropriate, to pay the costs of issuance of the BANs. It shall not be necessary for the District to repeat the procedures for the issuance of the New Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the New Bonds and the use of the proceeds to repay the BAN or BANs.

(b) The President and the Treasurer of the Board are hereby authorized and directed to execute a Bond Anticipation Note Agreement, if any (and any amendments made from time to time), in such form or substance as they shall approve acting upon the advice of counsel. The President, the Secretary or the Treasurer of the Board may take such other actions or deliver such certificates as are necessary or desirable in connection with the issuance of the BANs or the New Bonds and the

other documents needed for the financing as any one of them deem necessary or desirable in connection therewith.

Section 23. Rate Ordinance. Prior to the issuance of the New Bonds, the Board shall adopt a rate ordinance with rates and charges that would have generated Net Revenues in the District's fiscal year prior to the date of issuance of the New Bonds in an amount at least equal to 125% of the maximum annual interest and principal requirements of the Bonds, if such rates and charges had been in effect during the entirety of such fiscal year.

Section 24. Continuing Disclosure. If necessary in order for the purchaser of the BANs or the New Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the President of the Board is hereby authorized to execute and deliver in the name and on behalf of the District (i) an agreement by the District to comply with the requirements for a continuing disclosure undertaking of the District pursuant to subsection (b)(5) or (d)(2) of the Rule, and (ii) amendments to such agreement from time to time in accordance with the terms of such agreement (the agreement and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Agreement"). The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The remedies for any failure of the District to comply with and carry out the provisions of the Continuing Disclosure Agreement shall be as set forth therein.

Section 25. Official Statement. If deemed appropriate by the Financial Advisor and Bond Counsel, the President of the Board is hereby authorized and directed to prepare a preliminary official statement (each a "Preliminary Official Statement") for the BANs or the New Bonds and to deem each POS final for purposes of subsection (b)(1) of the Rule. In connection with the preparation of each POS, the President of the Board is hereby authorized and directed to ensure the completion of, and to execute and deliver, a final official statement in sufficient time to enable the purchaser of the BANs or the New Bonds, as applicable, to comply with subsection (b)(4) of the Rule.

Section 26. Qualified Tax-Exempt Obligations. On or before the date of issuance of each series of BANs and the New Bonds, the President of the Board is hereby authorized to designate all or any portion of such BANs or Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code, if determined appropriate and permissible thereunder, with the advice of Bond Counsel.

Section 27. Conflicting Ordinances. All prior ordinances and parts of prior ordinances, except the 1997 Ordinance, insofar as they may be in conflict herewith, are hereby repealed; provided, however, that this Ordinance shall not be construed as adversely affecting the rights of the owners of the 1997 Bonds.

Section 28. Headings. The headings or titles of the sections in this Ordinance shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

Section 29. Effective Date. This Ordinance shall be in full force and effect from and after its adoption and execution by the President of the Board.

AYES: Vance D. Funkhouser, Paul Michael Irwin, Norma Teeple, Bruce Lennon,
Narlon Littell, Donald L. McCauley, Max Wiley

NAYS: None

ABSTENTIONS: None

Passed and adopted by the Board of Trustees of Jennings Northwest Regional Utilities on May 14, 1998.

JENNINGS NORTHWEST REGIONAL
UTILITIES

By: Vance D. Funkhouser
President of its Board of Trustees

ATTEST:

By: Norma Teeple
Secretary of its Board of Trustees

Presented by me to the President of the Board of Trustees of Jennings Northwest Regional Utilities at 9:40 o'clock, p.m., Eastern Standard Time, on May 14, 1998.

Norma Teeple
Secretary, Board of Trustees
Jennings Northwest Regional Utilities

This Ordinance has been approved and signed by me, the President of the Board of Trustees of Jennings Northwest Regional Utilities at 9:00 o'clock, p.m., Eastern Standard Time, on May 14, 1998.

James D. Fankhouser
President, Board of Trustees
Jennings Northwest Regional Utilities

STATE OF INDIANA)
) SS:
COUNTY OF JENNINGS)

I do hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the Board of Trustees of Jennings Northwest Regional Utilities, Jennings County, Indiana, at a regular meeting held on May 14, 1998, and that notice of said meeting was given in accordance with I.C. 5-14-1.5.

Norma Teeple
Norma Teeple, Secretary, Board of Trustees, Jennings
Northwest Regional Utilities