

ORDINANCE NO. 3716

A SUPPLEMENTAL BOND ORDINANCE OF THE CITY OF NEW CASTLE, INDIANA, SUPPLEMENTING AND AMENDING ORDINANCE NO. 3463, ADOPTED ON MARCH 20, 2006, ALL FOR THE PURPOSE OF AUTHORIZING THE MODIFICATION OF CERTAIN CONTRACTUAL RIGHTS OF THE CITY OF NEW CASTLE, INDIANA, THE EXECUTION AND DELIVERY OF ITS AMENDED SEWAGE WORKS REVENUE BONDS, SERIES 2006, AND APPROVING CERTAIN RELATED MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of New Castle, Indiana (the “Issuer”), has heretofore established and constructed and currently owns and operates a sewage works system (the “Utility”), pursuant to the provisions of Indiana Code 36-9-23, as amended; and

WHEREAS, on May 4, 2006, the Issuer issued its bonds designated as the “City of New Castle, Indiana, Sewage Works Revenue Bonds, Series 2006” in the original aggregate principal amount of \$2,020,000 (the “Original Bonds”), which are payable from the net revenues of the Utility, in order to provide funds to finance the costs incurred to pay the acquisition and construction of certain extensions and improvements to the Utility and to pay incidental charges in connection therewith, all pursuant to Ordinance No. 3463, adopted by the Common Council of the Issuer (the “Governing Body”) on March 20, 2006 (the “Original Bond Ordinance”); and

WHEREAS, as of the date hereof, the Original Bonds are outstanding in the aggregate principal amount of approximately \$1,415,000; and

WHEREAS, pursuant to the terms of the Original Bonds and the Qualified Entity Purchase Agreement, dated April 26, 2006 (the “Original Purchase Agreement”), by and between the Issuer and the Indiana Bond Bank (the “Bond Bank”), the Original Bonds maturing on or after August 1, 2016, are subject to redemption prior to maturity, at the option of the Issuer, on any date on or after February 1, 2016 (such rights hereinafter referred to as the “Call Rights”); and

WHEREAS, the Bond Bank previously issued its Indiana Bond Bank Special Program Bonds, Series 2006 B-1, dated May 4, 2006, in the aggregate principal amount of \$12,400,000 (the “Prior Bond Bank Bonds”), for the purpose, in part, of providing funds to purchase the Original Bonds from the Issuer; and

WHEREAS, the Bond Bank has authorized and intends to issue its Indiana Bond Bank Special Program Refunding Bonds, Series 2015 A (the “Refunding Bond Bank Bonds”), for the purpose of refunding all or a portion of the Prior Bond Bank Bonds, together with one or more series of other bonds of the Bond Bank, which are outstanding on the date hereof (the “Refunding Program”); and

WHEREAS, as a condition to sharing a portion of the economic benefits associated with the Refunding Program with the Issuer, the Bond Bank has requested that (a) the Issuer modify the Call Rights and evidence the modification of such Call Rights and receipt of such Call Rights

Modification Credit (as hereinafter defined) (all in exchange for receiving a portion of the economic benefits associated with the Refunding Program) by executing and delivering its Amended Bonds (as hereinafter defined), and (b) following the undertaking of the Refunding Program and satisfaction of the other terms and conditions set forth herein, exchanging the Amended Bonds for the outstanding Original Bonds; and

WHEREAS, pursuant to the terms of the Original Bond Ordinance, the Issuer may grant or confer upon the owners of the Original Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Original Bonds, or to make any change which, in the judgment of the Issuer, is not to the prejudice of the owners of the Original Bonds; and

WHEREAS, pursuant to the terms of the Original Bond Ordinance, the Issuer may, from time to time and at any time, without consent of, or notice to, any of the owners of the Original Bonds, amend the Original Bond Ordinance for any purpose if in the judgment of the Issuer such amendment does not adversely affect the interests of the owners of the outstanding Original Bonds; and

WHEREAS, on the date hereof, the Bond Bank is the registered owner of all of the outstanding Original Bonds; and

WHEREAS, the Issuer desires to adopt this supplemental ordinance (the “Supplemental Ordinance”) in order to supplement and amend the Original Bond Ordinance (the Original Bond Ordinance, as supplemented and amended by this Supplemental Ordinance, collectively, the “Ordinance”) for the purpose of authorizing the modification of the Call Rights (as described in Section 3 herein) and the execution and delivery of the Amended Bonds (in order to evidence the modification of such Call Rights), all in consideration for the Bond Bank (a) crediting to the Issuer a portion of the economic benefits associated with the Refunding Program in an amount estimated to be, based upon current market conditions, at least equal to \$180,000 (the “Call Rights Modification Credit”), with such Call Rights Modification Credit being in the form of a reduction in one or more payments of debt service on the Original Bonds (which will be evidenced by the Amended Bonds), and (b) returning all of the outstanding Original Bonds to the Issuer; and

WHEREAS, the Governing Body has determined that a significant benefit to the Issuer in the amount of the Call Rights Modification Credit will be effected by assisting the Bond Bank in the undertaking of the Refunding Program; and

WHEREAS, the Governing Body now finds that all conditions precedent to the adoption of this Supplemental Ordinance have been complied with in accordance with the provisions of Indiana Code 5-1-5 and Indiana Code 36-9-23, each as amended (collectively, the “Act”), to the extent each is applicable hereto;

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE ISSUER, AS FOLLOWS:

Section 1. Authorization of 2015 Transaction; Modification of Call Rights. The Governing Body hereby determines that (a) the receipt of the Call Rights Modification Credit (in

the form described in the recitals hereof) in exchange for the modification of the Call Rights by the Issuer, and (b) the execution and delivery by the Issuer of the Amended Bonds to the Bond Bank in exchange for the outstanding Original Bonds now held by the Bond Bank, in order to evidence the modification of such Call Rights and the receipt of the Call Rights Modification Credit (clauses (a) and (b), collectively, the “2015 Transaction”), is in the best interests of the Issuer and is consistent with and in furtherance of the purposes for which the Issuer was created and exists. The Issuer is hereby authorized to modify the Call Rights and to execute and deliver the Amended Bonds, all in accordance with the terms and conditions of this Supplemental Ordinance.

Section 2. The Amended Bonds. In accordance with the Act and for the purpose of the 2015 Transaction, the Issuer shall execute and deliver its amended bonds designated as the “City of New Castle, Indiana, Amended Sewage Works Revenue Bonds, Series 2006,” in an original aggregate principal amount not to exceed the aggregate principal amount of the Original Bonds which are currently outstanding (the “Amended Bonds”), and exchange the Amended Bonds for all of the outstanding Original Bonds. Except where inconsistent with the provisions of this Supplemental Ordinance, the terms and conditions of the Amended Bonds shall be the same as those of the outstanding Original Bonds as provided in the Original Bond Ordinance. The form of the Amended Bonds shall be substantially in the form set forth in the Original Bond Ordinance, with such conforming changes as shall be necessary to reflect the terms and conditions set forth in this Supplemental Ordinance and in the Amended Purchase Agreement (as defined herein), including the modification of the Call Rights. The Amended Bonds shall be executed and delivered in the same manner and in accordance with the terms and conditions of the Original Bond Ordinance and the Act.

Section 3. Redemption Provisions of Amended Bonds. Notwithstanding anything in the Original Bond Ordinance, the Original Purchase Agreement or the Original Bonds to the contrary, the Call Rights may be modified so that the Amended Bonds shall be subject to redemption at the option of the Issuer on any date on or after the first optional redemption date on the Refunding Bond Bank Bonds (currently estimated to be February 15, 2025, provided such date may be modified as determined by the Bond Bank in order to effectuate the Refunding Program), at a redemption price equal to the principal amount thereof so called for redemption plus accrued interest to the date fixed for redemption.

Section 4. Application of Call Rights Modification Credit. The Governing Body hereby agrees that the Call Rights Modification Credit shall be applied to reduce one or more semi-annual debt service payments on the Original Bonds, and that such reductions of one or more semi-annual debt service payments shall be evidenced by the Amended Bonds. Prior to the undertaking of the Refunding Program, the fiscal officer of the Issuer (the “Fiscal Officer”), or the Fiscal Officer’s designee, is authorized to select the manner by which the Issuer desires to apply the Call Rights Modification Credit to the debt service payment(s) on the Amended Bonds, and to notify the Bond Bank, in writing, of such determination. The determination of the manner for applying the Call Rights Modification Credit shall be set forth in a schedule to be attached to the Amended Purchase Agreement (as hereinafter defined). The Governing Body of the Issuer hereby further authorizes the Fiscal Officer, or the Fiscal Officer’s designee, to execute all such documents and take such actions as may be necessary or appropriate to effectuate the option selected by the Fiscal Officer.

Section 5. Authorized Denominations of Amended Bonds. Notwithstanding anything in the Original Bond Ordinance, the Original Purchase Agreement or the Original Bonds to the contrary, the Amended Bonds shall be executed and delivered in minimum denominations of \$0.01 or any integral multiple in excess thereof, or such other denominations as shall be requested by the Bond Bank and acceptable to the Fiscal Officer.

Section 6. The Amended Purchase Agreement. The Qualified Entity Purchase Agreement, in substantially the form attached as Exhibit A hereto and made a part hereof (the “Amended Purchase Agreement”), is hereby approved. The Mayor and the Clerk-Treasurer of the Issuer are each hereby authorized and directed to execute the Amended Purchase Agreement with any and all such changes and revisions as they deem necessary, desirable or appropriate to carry out the intent of this Supplemental Ordinance and the purpose of the 2015 Transaction, and to deliver the Amended Purchase Agreement and the Amended Bonds to the Bond Bank.

Section 7. Offering Document / Continuing Disclosure Agreement. Use of information concerning the Issuer in any offering materials, including a preliminary official statement or a private placement memorandum of the Bond Bank (collectively, the “Offering Document”) and distributed in connection with the undertaking of the Refunding Program, is hereby authorized, ratified and approved. The Mayor and the Clerk-Treasurer of the Issuer, or their authorized designees, are each hereby authorized and directed to have prepared and delivered to the Bond Bank, an underwriter or a purchaser any information required for such use and further to deem and determine, if necessary, those portions of the Offering Document, if any, relating to the Issuer as near final for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the “SEC Rule”). Further, if necessary, the Mayor and the Clerk-Treasurer of the Issuer, or their authorized designees, are each hereby authorized and directed to execute a continuing disclosure agreement, in a form and substance acceptable to the Mayor and the Clerk-Treasurer of the Issuer, in order to allow the underwriters, if any, of the Refunding Bond Bank Bonds to comply with the SEC Rule if necessary.

Section 8. Further Actions. The Mayor and the Clerk-Treasurer of the Issuer, are each hereby authorized and directed, for and on behalf of the Issuer, to execute, attest and seal all such documents, instruments, certificates, closing papers and other papers and do all such acts and things as may be necessary, desirable or appropriate to effect the 2015 Transaction and to carry out the purposes of this Supplemental Ordinance and the execution and delivery of the Amended Bonds in accordance with the Ordinance, including, but not limited to, the execution of any certificates, purchase agreements, continuing disclosure agreements or other documents necessary to effect the 2015 Transaction, and any and all actions, documents, agreements and certificates heretofore taken or executed in connection with the 2015 Transaction or this Supplemental Ordinance, be, and hereby are, ratified and approved.

Section 9. Construction with Other Ordinances. This Supplemental Ordinance is hereby intended to amend and supplement the Original Bond Ordinance, and to the extent of any inconsistencies or conflicts, if any, between any provision or provisions of this Supplemental Ordinance and the Original Bond Ordinance, the provisions of this Supplemental Ordinance shall be controlling and binding. All ordinances or parts of ordinances, except the Original Bond Ordinance as supplemented and amended by this Supplemental Ordinance, in conflict with the Ordinance are hereby repealed. Unless the context otherwise requires and except as

supplemented herein, any references in the Original Bond Ordinance to the Original Bonds shall mean the Amended Bonds and any accounts created and maintained by the Issuer for the benefit of holders of the Original Bonds shall now be maintained, and the funds therein shall now be held, for the benefit of the holders of the Amended Bonds.

Section 10. Effective Date. This Supplemental Ordinance shall be in full force and effect from and after its having been passed by the Governing Body and signed by the presiding officer.

The foregoing was PASSED AND ADOPTED by the Common Council of the City of New Castle, Indiana, this ____ day of _____, 2015, by a vote of _____ ayes and _____ nays.

President of the Governing Body

ATTEST:

Clerk-Treasurer

Presented by me to the Mayor this _____ day of _____, 2015.

Clerk-Treasurer

Approved and signed by me this _____ day of _____, 2015.

Mayor

ATTEST:

Clerk-Treasurer

EXHIBIT A
FORM OF AMENDED PURCHASE AGREEMENT

(To be attached hereto)

QUALIFIED ENTITY PURCHASE AGREEMENT

This QUALIFIED ENTITY PURCHASE AGREEMENT (the “Purchase Agreement”), dated as of the ____ day of February, 2015, is being entered into by and between the INDIANA BOND BANK, a body corporate and politic (the “Bond Bank”), created pursuant to the provisions of Indiana Code 5-1.5, as amended (the “Act”), having its principal place of business in the City of Indianapolis, Indiana, and the CITY OF NEW CASTLE, INDIANA, a political subdivision located in Henry County, Indiana (the “Qualified Entity”).

WITNESSETH:

WHEREAS, on May 4, 2006, the Qualified Entity issued its bonds designated as the “City of New Castle, Indiana, Sewage Works Revenue Bonds, Series 2006” in the original aggregate principal amount of \$2,020,000 (the “Original Qualified Obligations”), which are payable from the net revenues of the sewage works system owned and operated by the Qualified Entity (the “Utility”), in order to provide funds to finance the acquisition and construction of certain extensions and improvements to the Utility, all pursuant to Ordinance No. 3463, adopted by the Qualified Entity on March 20, 2006 (the “Original Ordinance”); and

WHEREAS, as of the date hereof, the Original Qualified Obligations are outstanding in the aggregate principal amount of approximately \$1,415,000; and

WHEREAS, pursuant to the terms of the Original Ordinance, the Original Qualified Obligations and the Qualified Entity Purchase Agreement, dated as of April 26, 2006 (the “Original Purchase Agreement”), by and between the Bond Bank and the Qualified Entity, the Original Qualified Obligations maturing on or after August 1, 2016, are subject to redemption prior to maturity, at the option of the Qualified Entity, in whole or in part, on any date on or after February 1, 2016 (such rights hereinafter, the “Call Rights”); and

WHEREAS, the Bond Bank previously issued its Indiana Bond Bank Special Program Bonds, Series 2006 B-1, dated May 4, 2006, in the aggregate principal amount of \$12,400,000 (the “Prior Bond Bank Bonds”), for the purpose, in part, of providing funds to purchase the Original Qualified Obligations from the Qualified Entity; and

WHEREAS, the Bond Bank has authorized and intends to issue its Indiana Bond Bank Special Program Refunding Bonds, Series 2015 A (the “Refunding Bonds”), pursuant to a Trust Indenture, to be dated as of February 1, 2015 (the “Bond Bank Indenture”), between the Bond Bank and The Huntington National Bank, as trustee (the “Trustee”), for the purpose of refunding all or a portion of the Prior Bond Bank Bonds (the “Refunding Program”); and

WHEREAS, as a condition to sharing a portion of the economic benefits associated with the Refunding Program with the Qualified Entity, the Bond Bank has requested that (a) the Qualified Entity modify its Call Rights and evidence the modification of the Call Rights and receipt of such Call Rights Modification Credit (as defined herein)(all in exchange for receiving a portion of the economic benefits associated with the Refunding Program) by executing and delivering its Amended Qualified Obligations (as hereinafter defined), and (b) following the undertaking of the Refunding Program and satisfaction of the other terms and conditions set forth

herein, exchanging the Amended Qualified Obligations for the outstanding Original Qualified Obligations; and

WHEREAS, the Qualified Entity has duly authorized, pursuant to the Original Ordinance, as supplemented and amended by an ordinance adopted by the Qualified Entity on _____, 2015 (the “Supplemental Ordinance”)(the Original Ordinance and the Supplemental Ordinance, collectively, the “Ordinance”), the modification of the Call Rights and, in order to evidence the modification of the Call Rights and receipt of the Call Rights Modification Credit, the execution and delivery of its amended bonds designated as the “City of New Albany, Indiana, Amended Sewage Works Revenue Bonds, Series 2006,” in the original aggregate principal amount not to exceed the aggregate outstanding principal amount of the Original Qualified Obligations (as so amended, the “Amended Qualified Obligations”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Bond Bank and the Qualified Entity agree as follows:

Section 1. (a) In exchange for modifying the Call Rights with respect to the Original Qualified Obligations, the Bond Bank hereby agrees to provide the Qualified Entity with a credit, in an aggregate amount equal to \$_____ **[final amount to be determined following pricing on Bond Bank’s refunding bonds]** (the “Call Rights Modification Credit”), in the form of a reduction of one or more semi-annual debt service payments on the Original Qualified Obligations (as evidenced by the Amended Qualified Obligations), all in accordance with the schedule attached as Exhibit A hereto and made a part hereof.

(b) In order to evidence such modification of the Call Rights and receipt of such Call Rights Modification Credit, the Qualified Entity hereby agrees to execute and deliver the Amended Qualified Obligations and to exchange the Amended Qualified Obligations for all of the Original Qualified Obligations, respectively, which are outstanding on the date hereof. Upon the execution and delivery of the Amended Qualified Obligations, the Bond Bank hereby agrees that it shall cancel and return all of the Original Qualified Obligations to the Qualified Entity which are outstanding on the date hereof.

(c) The parties hereby expressly agree and acknowledge that the execution and delivery of the Amended Qualified Obligations in exchange for the return of all of the Original Qualified Obligations outstanding on the date hereof shall not constitute, nor shall this Purchase Agreement or the transaction hereby contemplated ever be construed to constitute, a re-issuance of the Original Qualified Obligations, in whole or in part, for purposes of the laws of the State.

(d) Notwithstanding anything in the Original Ordinance, the Original Purchase Agreement or the Original Qualified Obligations to the contrary, the Amended Qualified Obligations shall be subject to redemption at the option of the Issuer on any date on or after _____ 15, 2025 **[final date to be determined following pricing on Bond Bank’s refunding bonds]**, at a redemption price equal to the principal amount thereof so called for redemption plus accrued interest to the date fixed for redemption.

(e) Except as otherwise provided in this Purchase Agreement and the Supplemental Ordinance, the terms, conditions and characteristics of the Amended Qualified Obligations shall

be the same as those of the Original Qualified Obligations and shall be executed and delivered in the same manner and in accordance with the terms and conditions of the Ordinance and the Act.

Section 2. If the Qualified Entity fails to pay the principal of and interest on the Amended Qualified Obligations when due, the Qualified Entity agrees to reimburse the Bond Bank for the costs of collecting the payments on such Amended Qualified Obligations.

Section 3. The Qualified Entity has taken, or will take, all proceedings required by law to enable it to modify the Call Rights and to execute and deliver the Amended Qualified Obligations and all other documents to the Bond Bank which are necessary for the Bond Bank to undertake its Refunding Program. The parties to this Agreement acknowledge that the Qualified Entity's obligation to modify the Call Rights and to execute and deliver the Amended Qualified Obligations and the Bond Bank's obligation to accept the Amended Qualified Obligations and to cancel and return the Prior Qualified Obligations, all as described herein, are expressly contingent upon the Qualified Entity taking all steps and receiving all approvals required by laws of the State, if any, to modify the Call Rights, to execute and deliver the Amended Qualified Obligations, and to execute all other documents which are necessary for the Bond Bank to undertake its Refunding Program.

Section 4. Subject to Section 8, the Qualified Entity agrees to pay the Bond Bank, on each interest payment date for the Amended Qualified Obligations, reasonable fees and charges attributable to the administration of the Amended Qualified Obligations acquired by the Bond Bank. To the extent the Amended Qualified Obligations are subject to rebate, the Qualified Entity agrees to pay the Bond Bank for prompt payment to, or to evidence to the Bond Bank the payment to, the United States of the rebate determined by the Qualified Entity to result from the investment of moneys held by the Qualified Entity that constitute gross proceeds of the Original Qualified Obligations or the Amended Qualified Obligations. The Qualified Entity agrees to provide documentation to the Bond Bank relative to the computation of the rebate and payment of such rebate when required.

Section 5. Simultaneously with the delivery to the Bond Bank of the Amended Qualified Obligations, which shall be substantially in the form set forth in the Original Ordinance with such conforming changes as shall be necessary to reflect the terms and conditions set forth in the Supplemental Ordinance and in this Purchase Agreement, and registered in the name of the Bond Bank, the Qualified Entity shall furnish to the Bond Bank: (a) transcripts of the proceedings related to the respective Amended Qualified Obligations; and (b) the approving opinion of Barnes & Thornburg LLP, bond counsel to the Qualified Entity, in form satisfactory to the Bond Bank, which shall set forth, among other things, that (i) the Qualified Entity is duly organized and validly existing under the laws of the State with the right and power to execute and deliver and to perform its obligations under the Purchase Agreement and its Amended Qualified Obligations; (ii) the Purchase Agreement and the Amended Qualified Obligations, together with the performance by the Qualified Entity of its respective obligations thereunder, have been duly authorized, executed and delivered by the Qualified Entity and, assuming the due authorization, execution and delivery thereof by the other parties thereto, each constitutes the legal, valid and binding agreement of the Qualified Entity, enforceable in accordance with its respective terms; and (iii) the interest on the Amended Qualified Obligations is excludable from gross income for federal income tax purposes under Section 103 of the Code

(under existing law); subject to such enforcement limitations customarily contained in such opinions. The Bond Bank shall arrange for and bear the cost of such opinions from the Qualified Entity's bond counsel.

Section 6. The Qualified Entity and the Bond Bank agree that the Amended Qualified Obligations and the payments to be made thereon may be pledged or assigned by the Bond Bank to the Trustee under and pursuant to the Bond Bank Indenture.

Section 7. (a) As long as any of the Amended Qualified Obligations remain outstanding, the Qualified Entity agrees to furnish to the Bond Bank the following information and reports:

(1) Within one hundred eighty (180) days after the close of each twelve-month period ending December 31 (each, a "Fiscal Year"), beginning with the Fiscal Year ending on December 31, 2014, (A) if available, a copy of the Qualified Entity's budget adopted for the then-current Fiscal Year, and (B) unaudited annual financial statements or reports which are customarily prepared by or for the Qualified Entity;

(2) When and if available, the audited financial statements of the Qualified Entity as prepared and examined by the State Board of Accounts for each Fiscal Year, beginning with the Fiscal Year ending on ending December 31, 2014, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts;

(3) When and if available, a copy of any financial information, operating data or event notices filed by, or on behalf of the Qualified Entity, with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access System ("EMMA"), pursuant to any obligations of the Qualified Entity to provide such information to EMMA under one or more continuing disclosure undertaking agreements entered into by the Qualified Entity pursuant to Section (b)(5) of the Securities and Exchange Commission Rule 15c2-12, as amended, simultaneously with such filing through EMMA;

(4) When and if available, a copy of any study of rates and charges for the Utility as may be commissioned by the Qualified Entity from time to time, together with the all schedules and exhibits thereto, within sixty (60) days of receipt from the consultant(s) engaged to perform such study; and

(5) Such other financial information as is reasonably requested by the Bond Bank, including information which evidences their compliance with certain covenants which they have made regarding various actions and conditions necessary to preserve the tax-exempt status of interest paid on the Amended Qualified Obligations.

(b) The Qualified Entity certifies and agrees that it will monitor: (i) the yield on the investment of proceeds of the Amended Qualified Obligations (including compliance with any yield restrictions or temporary periods); (ii) the timely expenditure of the proceeds of the Amended Qualified Obligations; (iii) the proper use of the proceeds of the Amended Qualified Obligations and any facilities financed thereby; and (iv) the investment, expenditure and use of

proceeds of the Amended Qualified Obligations to ensure timely identification of any violations of federal tax requirements and timely correction of any identified violations through remedial actions described in Section 1.141-12 of the Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31.

(c) The Qualified Entity certifies and agrees that it will, on or before each anniversary of the date of the execution and delivery of the Amended Qualified Obligations, determine: (i) whether the Qualified Entity has paid all amounts required to be rebated to the United States under Section 148(f) of the Code and Section 1.148-3 of the Regulations; and (ii) whether the Qualified Entity has made all yield reduction payments required to be made to the United States under Section 1.148-5(c) of the Regulations.

(d) The Qualified Entity certifies and agrees that it will, on or before each anniversary of the date of the execution and delivery of the Amended Qualified Obligations, provide a report to the Bond Bank as to: (i) whether the Qualified Entity has paid all amounts required to be rebated to the United States under Section 148(f) of the Code and Section 1.148-3 of the Regulations; (ii) whether the Qualified Entity has made all yield reduction payments required to be made to the United States under Section 1.148-5(c) of the Regulations; and (iii) whether the Qualified Entity has identified any violations of federal tax requirements with respect to the expenditure and use of proceeds of the Qualified Obligations and timely corrected any identified violations through remedial actions described in Section 1.141-12 of the Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31.

(e) The Qualified Entity certifies and agrees that it will monitor the use of the proceeds of such Amended Qualified Obligations, and any facilities financed thereby, to ensure that not more than five percent (5%) of the proceeds of the Amended Qualified Obligations, or any facilities financed thereby, are: (i) owned by any nongovernmental person; (ii) leased to any nongovernmental person; (iii) subject to any management, service or incentive payment contract with any nongovernmental person, under which such nongovernmental person provides services involving all, any portion or any function of such facilities, unless such contract satisfies the conditions under which it would not result in private business use set forth in Revenue Procedure 97-13 (1997-1 C.B. 623), as amended from time to time; (iv) subject to any agreement by any nongovernmental person to sponsor research, unless such agreement satisfies the conditions under which it would not result in private business use set forth in Revenue Procedure 2007-47 (2007-29 I.R.B. 108), as amended from time to time; or (v) subject to any other arrangement that conveys special legal entitlements for beneficial use thereof that are comparable to special legal entitlements described in subsection (i), (ii), (iii) or (iv) hereof.

Section 8. If the Bond Bank determines to sell all or part of the Amended Qualified Obligations, it agrees to pay or reimburse the Qualified Entity for all costs associated therewith including the printing of bonds, obtaining ratings therefor and providing services of a registrar and paying agent therefor.

Section 9. If any provision of this Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Purchase Agreement, and this Purchase Agreement

shall be construed and be in force as if such invalid or unenforceable provision had not been contained herein.

Section 10. The parties to this Agreement acknowledge that the Qualified Entity's obligation to modify the Call Rights and execute and deliver the Amended Qualified Obligations, and the Bond Bank's obligation to accept the Amended Qualified Obligations and to cancel and return all of the Original Qualified Obligations outstanding as of the date hereof, is expressly contingent upon the authorization and undertaking of the Refunding Program. In the event the Bond Bank determines not to authorize or undertake its Refunding Program, the provisions of this Purchase Agreement shall terminate upon notice by the Bond Bank to the Qualified Entity of such determination.

Section 11. In the event the Qualified Entity fails to modify the Call Rights and to execute and deliver all of the Amended Qualified Obligations to the Bond Bank in accordance with Section 1 hereof for any reason within the control of the Qualified Entity, the Qualified Entity shall, on demand, pay to the Bond Bank an amount equal to all costs, expenses (including any financial advisory and attorney's fees and expenses) and consequential damages occasioned by the failure of the Qualified Entity to modify the Call Rights and to execute and deliver the Amended Qualified Obligations, all in accordance with Section 1 hereof.

Section 12. On or prior to the delivery date of the Amended Qualified Obligations pursuant to the Refunding Program, an authorized officer of the Qualified Entity will deliver a certificate, dated as of the delivery date of the Refunding Bonds pursuant to the Refunding Program (the "Closing Date"), to the effect that (a) any statements pertaining to the Qualified Entity, the Original Qualified Obligations (if any) or the Amended Qualified Obligations made in the application or information request form submitted to the Bond Bank (the "Application") (i) as of the date of the Application, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (ii) as of the Closing Date, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, and (b) that there has been no material adverse change in the financial condition and affairs of the Qualified Entity during the period from the date of submission of the Application to the Closing Date, which was not disclosed in or contemplated by the Application.

Section 13. The Qualified Entity hereby agrees, for so long as any of the Amended Qualified Obligations are outstanding, to execute a continuing disclosure agreement in a form and substance reasonably acceptable to the Bond Bank, as may be reasonably requested by the Bond Bank. No breach or violation by the Qualified Entity of any obligation of the Qualified Entity under Section 7 of this Purchase Agreement shall constitute a breach or violation of or default under the Amended Qualified Obligations or the Ordinance.

Section 14. This Purchase Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Bond Bank and the Qualified Entity each agree that they will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Purchase Agreement.

Section 15. No waiver by the Bond Bank or the Qualified Entity of any term or condition of this Purchase Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Purchase Agreement.

Section 16. This Purchase Agreement merges and supersedes all prior negotiations, representations and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and, together with the Ordinance and the Amended Qualified Obligations, constitutes the entire agreement between the Bond Bank and the Qualified Entity with respect hereto.

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IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

INDIANA BOND BANK

By: _____
Kelly M. Mitchell, Chairperson Ex Officio

Attest:

Ronald L. Mangus, Executive Director

CITY OF NEW CASTLE, INDIANA

By: _____
Greg York, Mayor

Attest:

Christy York, Clerk-Treasurer

[DO NOT EXECUTE AT THIS TIME]

EXHIBIT A

SCHEDULE OF CALL RIGHTS MODIFICATION CREDIT

<u>Payment Date</u>	<u>Debt Service Due on Prior Qualified Obligation</u>			<u>(Less Call Rights Modification Credit)</u>	<u>Debt Service Due on Amended Qualified Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
August 1, 2015	\$ 90,000.00	\$33,354.75	\$123,354.75				
February 1, 2016	0.00	31,374.75	31,374.75				
August 1, 2016	95,000.00	31,374.75	126,374.75				
February 1, 2017	0.00	29,213.50	29,213.50				
August 1, 2017	100,000.00	29,213.50	129,213.50				
February 1, 2018	0.00	26,918.50	26,918.50				
August 1, 2018	105,000.00	26,918.50	131,918.50				
February 1, 2019	0.00	24,493.00	24,493.00				
August 1, 2019	110,000.00	24,493.00	134,918.50				
February 1, 2020	0.00	21,941.00	21,941.00				
August 1, 2020	115,000.00	21,941.00	136,941.00				
February 1, 2021	0.00	19,221.25	19,221.25				
August 1, 2021	120,000.00	19,221.25	139,221.25				
February 1, 2022	0.00	16,371.25	16,371.25				
August 1, 2022	125,000.00	16,371.25	141,371.25				
February 1, 2023	0.00	13,383.75	13,383.75				
August 1, 2023	130,000.00	13,383.75	143,383.75				
February 1, 2024	0.00	10,263.75	10,263.75				
August 1, 2024	135,000.00	10,263.75	145,263.75				
February 1, 2025	0.00	7,003.50	7,003.50				
August 1, 2025	140,000.00	7,003.50	147,003.50				
February 1, 2026	0.00	3,622.50	3,622.50				
August 1, 2026	<u>150,000.00</u>	<u>3,622.50</u>	<u>153,622.50</u>				
Totals:	\$1,415,000.00	\$440,968.25	\$1,856,393.75				

[Note: The above amortization schedule does not include the February 1, 2015 interest payment, which will have been made prior to the closing on this transaction.]