

ORDINANCE NO. 1998-9

An Ordinance providing for the issuance of sewage works revenue refunding bonds of the Town of Fort Branch, Indiana; prescribing the form and other details of said bonds; providing for the collection, segregation and distribution of the revenues to be derived from the sewage works of said town; making other provisions with respect to the operation of said sewage works and the issuance of said bonds; providing for the security and payment of said bonds and the bonds being refunded thereby; and authorizing the execution of an escrow agreement.

WHEREAS, the Town of Fort Branch, Indiana (the "Town") has heretofore established and constructed and currently owns and operates a sewage works by and through its Board of Public Works and Safety (the "Board") for the collection and treatment of sewage and other wastes (the "Sewage Works"), in accordance with the provisions of Indiana Code, Title 36, Article 9, Chapter 23, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, pursuant to Ordinance No. 1989-1 (the "Prior Ordinance"), adopted by this Town Council on January 4, 1989, the Town has heretofore issued revenue bonds payable from the revenues of the Sewage Works, designated "Sewage Works Revenue Bonds of 1989," dated March 1, 1989 (the "Prior Bonds"), currently outstanding in the amount of Six Hundred Ninety-Five Thousand Dollars (\$695,000), bearing interest at rates ranging from six and eight-tenths percent (6.8%) to seven and fifty-five hundredths percent (7.55%) per annum, and maturing in various amounts serially on January 1 in the years 1999 to 2009 inclusive; and

WHEREAS, the Prior Bonds maturing on or after January 1, 2000, are subject to redemption on or after January 1, 1999; and

WHEREAS no other bonds or obligations are payable from the revenues of the Sewage Works; and

WHEREAS in order to effect a savings to the Town by reducing the aggregate principal and interest payments on the Prior Bonds, it is necessary and desirable to refund the outstanding Prior Bonds; and

WHEREAS Indiana Code, Title 5, Article 1, Chapter 5, as amended and supplemented, in conjunction with the Act, authorizes the refunding of the Prior Bonds in advance of the maturity thereof and permits the deposit in escrow of sufficient funds to retire said bonds at maturity or at such redemption date or dates as may be selected by this Town Council; and

WHEREAS, this Town Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of bonds to provide the necessary funds to be applied to the refunding of the Prior Bonds have been complied with in accordance with the Act; and

WHEREAS, it is now necessary to authorize the issuance of such refunding bonds and to enter into certain covenants regarding the payment of said revenue bonds and the Prior Bonds being refunded thereby, and the operation of the Sewage Works;

NOW, THEREFORE, Be It Ordained by the Town Council of the Town of Fort Branch, Gibson County, Indiana, as follows:

Section 1. Authority. The Series 1998 Bonds (defined below) authorized by this Ordinance are issued pursuant to Indiana Code 5-1-5, as supplemented and amended, in conjunction with the Act, and other applicable provisions of law for the purpose of refunding the Prior Bonds. Where used in this Ordinance, the term "Town" shall be construed also to include any department, board (including the Board), commission or officer or officers of the Town or of any Town department, board or commission. The terms "Sewage Works," "sewage works," "works" and similar terms used in this Ordinance shall be construed to mean and include the existing structures and property of the Sewage Works and all improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired.

Section 2. Authorization and Terms of Series 1998 Bonds. The Series 1998 Bonds authorized by this Ordinance and referred to in the preamble hereto shall be issued in the principal amount of not exceeding \$725,000 for the purpose of providing funds to refund the Prior Bonds, including the payment of expenses in connection with the issuance of the Series 1998 Bonds and the refunding of the Prior Bonds. The Series 1998 Bonds shall be designated "Sewage Works Revenue Refunding Bonds, Series 1998" (the "Series 1998 Bonds"), shall be originally dated as of the first day of the month of their original issuance and delivery or as of the date of their issuance (as set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof), and shall bear the date of authentication, shall be in fully registered form, shall be in the denomination of \$5,000 each and integral multiples thereof not exceeding the aggregate principal amount of the Series 1998 Bonds maturing in any one year, and shall be numbered consecutively from 98R-1 upward. The Series 1998 Bonds shall bear interest at a rate or rates per annum not exceeding five and three-quarters percent (5.75%) per annum (the exact rate or rates to be set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof), such interest (computed on the basis of a 360-day year of twelve 30-day months) being payable on the first days of January and July of each year (each an "Interest Payment Date"), commencing not later than July 1, 1999 (as set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof). Interest on each Series 1998 Bond shall be paid by check or draft of the Bond Registrar (defined below) mailed or delivered to the person in whose name such Series 1998 Bond is registered at the close of business on the 15th day of the month next preceding the Interest Payment Date or at such other address as may be provided to the Bond Registrar in

writing by such registered owner. Any Series 1998 Bond authenticated on or before the fifteenth day of the month preceding the first interest payment date shall pay interest from its original issue date. Any Series 1998 Bonds authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Series 1998 Bond to which interest thereon has been duly provided for, unless such Series 1998 Bond is authenticated after the fifteenth (15th) day of the month preceding any Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date. The principal of the Series 1998 Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar. The Series 1998 Bonds shall mature serially on January 1 beginning not later than January 1, 2000 (as set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof), in the years and in the principal amounts set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof, provided that the latest maturity date for any Series 1998 Bonds shall in no event be later than January 1, 2009. The principal of, redemption premium, if any, and interest on the Series 1998 Bonds shall be payable solely out of the Sewage Works Sinking Fund referred to below. The Series 1998 Bonds, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligation of the Town, payable out of the revenues of the Sewage Works to be set aside and paid into the Sewage Works Sinking Fund as herein provided.

The Series 1998 Bonds shall initially be issued and held in book-entry form on the books of The Depository Trust Company, its successors or any successor central depository system appointed by the Town from time to time. The Town and the Registrar and Paying Agent may, in connection herewith, do or perform or cause to be done or performed any acts or things, not adverse to the rights of the holders of the Series 1998 Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Series 1998 Bonds.

Section 3. Execution: Authentication. The Series 1998 Bonds shall be executed on behalf of the Town with the manual or facsimile signature of the President of its Town Council and attested with the manual or facsimile signature of the Clerk-Treasurer, and shall have impressed or imprinted thereon the corporate seal of the Town or a facsimile thereof. In case any officer whose signature shall appear on any Series 1998 Bond shall cease to be such officer before the delivery of such Series 1998 Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Subject to the provisions of this Ordinance regarding the registration of the Series 1998 Bonds, the Series 1998 Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

All Series 1998 Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the Town and showing the date of authentication. No Series 1998 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual

signature, and such certificate of authentication upon any such Series 1998 Bond shall be conclusive evidence that such Series 1998 Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Series 1998 Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Series 1998 Bonds issued hereunder.

Section 4. Registration of Series 1998 Bonds; Persons Treated as Owners. The Town shall cause books (the "Bond Register") for the registration and for the transfer of the Series 1998 Bonds as provided in this Ordinance to be kept at the principal office of a bond registrar and paying agent, which the Clerk-Treasurer is hereby authorized and directed to appoint for the Town (the "Bond Registrar"). Upon surrender for transfer of any Series 1998 Bond at the principal office of the Bond Registrar duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney duly authorized in writing, the Town shall execute and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 1998 Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Series 1998 Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Series 1998 Bond or Bonds of the same maturity of other authorized denominations. The execution by the Town of any fully registered Series 1998 Bond shall constitute full and due authorization of such Series 1998 Bond and the Bond Registrar shall thereby be authorized to authenticate and deliver such Series 1998 Bond. The Bond Registrar shall not be required to transfer or exchange any Series 1998 Bond during the period of fifteen (15) days next preceding any interest payment date on such Series 1998 Bond, nor to transfer or exchange any Series 1998 Bond after notice calling such Series 1998 Bond for redemption has been mailed.

The person in whose name any Series 1998 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal, premium or interest on any Series 1998 Bond shall be made duly to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 1998 Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Series 1998 Bonds, but the Town or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 1998 Bonds except in the case of the issuance of a Series 1998 Bond or Bonds for the unredeemed portion of a Series 1998 Bond surrendered for redemption.

Section 5. Term Bonds. As determined by the Clerk-Treasurer in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof, all or a portion of the Series 1998 Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption

payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities of January 1 of the years determined by the Clerk-Treasurer.

In the event that the Clerk-Treasurer opts to aggregate certain Series 1998 Bonds into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on January 1 of each year and in the principal amount set forth in the Clerk-Treasurer's Certificate.

The Bond Registrar shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any Series 1998 Bonds of such maturity purchased for cancellation by the Town and cancelled by the Bond Registrar and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each Series 1998 Bond so purchased shall be credited by the Bond Registrar at 100% of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in inverse order of mandatory sinking fund redemption (or final maturity) dates, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly.

The Bond Registrar shall determine by lot (treating each \$5,000 principal amount of each Series 1998 Bond as a separate Series 1998 Bond for such purpose) the Series 1998 Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on January 1 of each year.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in Section 6 of this Ordinance.

In the event any of the Series 1998 Bonds are issued as Term Bonds, the form of the Series 1998 Bond set forth in Section 7 of this Ordinance shall be modified accordingly.

Any reference to payment or maturity of principal on Series 1998 Bonds shall be deemed to include payment of scheduled mandatory sinking fund redemption payments described in this Section 5.

Section 6. Optional Redemption of the Series 1998 Bonds. The Series 1998 Bonds shall be redeemable at the option of the Town, in whole or in part, not earlier than January 1, 2007 (as set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof), or at any time thereafter, in principal amounts and maturities selected by the Town, and by lot within any such maturity or maturities by the Bond Registrar, at a redemption price not greater than 102% of the principal amount of each Series 1998 Bond to be redeemed (as set forth in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof), plus accrued interest to the redemption date.

Notice of such redemption shall be mailed by certified or registered mail at least thirty (30) days prior to the scheduled redemption date to each of the registered owners of the Series 1998 Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Bond Registrar. The notice shall specify the date and place of redemption, and the registration numbers of the Series 1998 Bonds called for redemption. The place of redemption may be at the principal corporate trust office of the Bond Registrar or as otherwise determined by the Town. Interest on the Series 1998 Bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date.

In addition to the foregoing notice, the Town may also direct that further notice of redemption of the Series 1998 Bonds be given, including without limitation and at the option of the Town, notice described in paragraph (a) below given by the Bond Registrar to the parties described in paragraphs (b) and (c) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Series 1998 Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the Town, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Series 1998 Bonds being redeemed; (ii) the date of issue of the Series 1998 Bonds as originally issued; (iii) the rate of interest borne by each Series 1998 Bond being redeemed; (iv) the maturity date of each Series 1998 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Series 1998 Bonds being redeemed.

(b) If so directed by the Town, each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 1998 Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Series 1998 Bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service, Kenny Information Service's Called Bond Service, Moody's Municipal and Government and Standard & Poor's Called Bond Record).

(c) If so directed by the Town, each such further notice shall be published one time in The Bond Buyer of New York, New York or, if the Bond Registrar believes such publication is impractical or unlikely to reach a substantial number of

the holders of the Series 1998 Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Series 1998 Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

Upon the payment of the redemption price of the Series 1998 Bonds being redeemed and if so directed by the Town, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 1998 Bonds being redeemed with the proceeds of such check or other transfer.

Notice of redemption having been given as aforesaid, the Series 1998 Bonds or portions of Series 1998 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Town shall default in the payment of the redemption price) such Series 1998 Bonds or portions of Series 1998 Bonds shall cease to bear interest. Upon surrender of such Series 1998 Bonds for redemption in accordance with said notice, such Series 1998 Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 1998 Bond, there shall be prepared for the registered owner a new Series 1998 Bond or Bonds in the amount of the unpaid principal. All Series 1998 Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Series 1998 Bonds. The Series 1998 Bonds and the certificate of authentication to be endorsed thereon and the form of assignment are all to be in substantially the following forms with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance:

FORM OF REGISTERED BOND

UNITED STATES OF AMERICA
STATE OF INDIANA, COUNTY OF GIBSON
TOWN OF FORT BRANCH
SEWAGE WORKS REVENUE REFUNDING BOND, SERIES 1998

No. 98R-_____

Interest Rate	Maturity Date	Issue Date	Date of Authentication	CUSIP
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Registered Owner:

Principal Amount:

The Town of Fort Branch (the "Town"), in Gibson County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above on the Maturity Date specified above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is paid upon redemption or at maturity, at the Interest Rate per annum specified above and from the interest payment date to which interest has been paid or duly provided for next preceding the Date of Authentication of this bond as shown above (except if this bond is authenticated after the fifteenth day of April or October and on or before the succeeding interest payment date, it shall bear interest from such interest payment date and except if this bond is authenticated on or before _____ 15, _____, it shall bear interest from the Issue Date specified above), with such interest payable semiannually on January 1 and July 1 of each year, commencing _____ 1, _____.

The principal of this bond is payable at the principal corporate trust office of _____, in the Town of _____, Indiana, or of any successor registrar and paying agent appointed under the Ordinance hereinafter mentioned (the "Bond Registrar"). Interest hereon will be paid by cash or draft mailed or delivered by the Bond Registrar to the Registered Owner hereof at the address as it appears on the registration books of the Bond Registrar as of the fifteenth day of the month immediately preceding the applicable interest payment date or at such other address as is furnished to the Bond Registrar in writing by such

Registered Owner. All payments on this bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond and the other bonds of this issue, together with the interest payable hereon and thereon, is payable solely from and secured by an irrevocable pledge of and constitutes a first charge upon all of the net revenues (defined to be gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the Town, including the existing works and all additions and improvements thereto and replacements thereof subsequently acquired or constructed. The Town is not and shall not be obligated to pay the principal of or interest on this bond except from the special fund provided from the net revenues of such sewage works, and this bond does not and shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the premium, if any, and interest due hereon and for all other purposes, and neither the Town nor the Bond Registrar shall be affected by any notice to the contrary.

This bond shall not be valid or become obligatory for any purpose or entitled to any security or benefit under the Ordinance herein described unless and until the certificate of authentication hereon shall have been executed by a duly authorized representative of the Registrar.

This Bond is one of an authorized issue of bonds of the Town of Fort Branch, of like date, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of _____ Dollars (\$ _____), numbered from 98R-1 upward, issued for the purpose of providing funds to refund the outstanding Sewage Works Revenue Bonds of 1989 of the Town dated March 1, 1989, as authorized by an ordinance adopted by the Town Council of the Town on the ___ day of _____, 1998, entitled "An Ordinance providing for the issuance of sewage works revenue refunding bonds of the Town of Fort Branch, Indiana; prescribing the form and other details of said bonds; providing for the collection, segregation and distribution of the revenues to be derived from the sewage works of said town; making other provisions with respect to the operation of said sewage works and the issuance of said bonds; providing for the security and payment of said bonds and the bonds being refunded thereby; and authorizing the execution of an escrow agreement" (the "Ordinance"), and in strict compliance with the provisions of the Indiana Code Title 36, Article 9, Chapter 23, and the laws amendatory thereof and supplemental thereto, and Indiana Code, Title 5, Article 1, Chapter 5, and the laws amendatory thereof and supplemental thereto (collectively, the "Act").

This bond is issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the bonds of this issue maturing in any one year.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of this issue, together with any bonds hereafter issued on a parity therewith, are payable solely from the Sewage Works Sinking Fund (heretofore created by the Ordinance) to be provided from the net revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the Town, and all additions and improvements thereto and replacements thereof subsequently acquired or constructed. This bond does not and shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Town is not and shall not be obligated to pay this bond or the interest thereon except from such special fund provided from such net revenues.

The Town irrevocably pledges the entire net revenues of such sewage works to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the Ordinance, including this bond and any bonds hereafter issued on a parity herewith, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair, replacements and maintenance of such works, and for the payment of the sums required to be paid into such Sinking Fund under the provisions of the Act and the Ordinance. In the event the Town, or the proper officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act and the laws amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of the principal of and interest on this bond.

The Town further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of such sewage works to meet (a) the interest on all bonds payable from such fund as such interest shall fall due, (b) the necessary fiscal agency charges for paying the principal of and interest on all bonds, (c) the principal of all bonds payable from such fund as such principal shall fall due, and (d) an additional amount as a margin of safety, which margin shall equal the Debt Service Reserve Requirement (as defined in the Ordinance). Such required payments shall constitute a first charge upon all the net revenues of such works.

The bonds of this issue maturing on or after January 1, ____, are subject to redemption prior to maturity, at the option of the Town, in whole or in part, on January 1, ____, or at any time thereafter, in principal amounts and maturities selected by the Town, and by lot within any such maturity or maturities by the Bond Registrar at a redemption price expressed as a

percentage of the principal amount of each bond to be redeemed in accordance with the following schedule, plus accrued interest to the date of redemption:

<u>Redemption Period</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Price</u>
January 1, ____ through December 31, ____	____%
January 1, ____ through December 31, ____	____%
January 1, ____ and thereafter prior to maturity	____%

Notice of such redemption shall be sent by registered or certified mail to the Registered Owner of this bond at the address shown on the registration books of the Bond Registrar not less than thirty (30) days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner. The place of redemption may be determined by the Town. Interest on the bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption to pay the redemption price on the redemption date.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the Town may deposit in trust with the Bond Registrar an amount sufficient to pay such bond or the redemption price, as appropriate, and thereafter the Registered Owner shall look only to the funds so deposited in trust with the Bond Registrar for payment, and the Town shall have no further obligation or liability with respect thereto.

Subject to the provisions of the Ordinance regarding the registration of such bonds, this bond and all other bonds of this issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is transferable or exchangeable only on the books of the Town maintained for such purpose at the principal office of the Bond Registrar, by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner or his attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Bond Registrar shall not be obligated to make any exchange or transfer of this bond (i) during the fifteen (15) days immediately preceding an interest payment date on this bond or (ii) after the mailing of any notice calling this bond for redemption. The Town and the Bond Registrar for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and the redemption premium, if any, and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Bond Registrar may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided, that in the case of this bond being mutilated, this bond shall first be surrendered to the Bond Registrar, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Bond Registrar evidence of such loss, theft or destruction satisfactory to the Town and to the Bond Registrar, together with indemnity satisfactory to them. In the event that this bond, being mutilated, lost, stolen or destroyed, shall have matured or been called for redemption, instead of causing to be issued a duplicate bond the Bond Registrar may pay this bond upon surrender of this mutilated bond or upon satisfactory indemnity and proof of loss, theft or destruction in the event this bond is lost, stolen or destroyed. In such event, the Town and the Bond Registrar may charge the owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Town, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Ordinance, equally and proportionately with any and all other bonds duly issued thereunder.

The bonds authorized and issued pursuant to the Ordinance, including this bond, are subject to defeasance prior to redemption or payment as provided in the Ordinance, and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

The Town hereby certifies, recites and declares that all acts, conditions and things required to be done precedent to and in the preparation, execution, issuance and delivery of this bond have been done and performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Town of Fort Branch, in Gibson County, State of Indiana, has caused this bond to be executed in its corporate name and on its behalf by the manual or facsimile signature of the President of its Town Council, and its corporate seal or a facsimile thereof to be hereunto affixed and attested by the manual or facsimile signature of its Clerk-Treasurer, all as of the Issue Date shown above.

TOWN OF FORT BRANCH

By _____
President of the Town Council

(seal or facsimile seal)

ATTEST:

Clerk-Treasurer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Town of Fort Branch Sewage Works Revenue Refunding Bonds, Series 1998, issued and delivered pursuant to the provisions of the within-mentioned Ordinance.

as Bond Registrar

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ (insert name and address) the within
bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

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

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a registered broker-dealer or a commercial bank or trust company.

(End of Bond Form)

Section 8. Security and Sources of Payment for the Series 1998 Bonds. The Series 1998 Bonds, together with any bonds hereafter issued 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 all of the net revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the Sewage Works, including the existing works and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The Town shall not be obligated to pay the Series 1998 Bonds or the interest thereon except from the net revenues of the Sewage Works, and the Series 1998 Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 9. Segregation and Application of Sewage Works Revenues. All revenues derived from the operation of the Sewage Works and from the collection of sewage rates and charges shall be deposited in a fund established under the Prior Ordinance and continued hereby and designated as the Sewage Works Revenue Fund, and segregated and kept separate and apart from

all other funds and bank accounts of the Town. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the Sewage Works shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided. No moneys derived from the revenues of the Sewage Works shall be transferred to the general fund of the Town or be used for any purpose not connected with the Sewage Works so long as any bonds payable from the revenues of the Sewage Works are outstanding.

On the last day of each calendar month there shall be credited from the Revenue Fund to the Sewage Works Operation and Maintenance Fund established under the Prior Ordinance and continued hereby, a sufficient amount of the revenues of the Sewage Works so that the balance in said fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to this fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Sewage Works on a day to day basis, but none of the moneys in such fund shall be used for depreciation, replacements, improvements, extensions or additions. Any balance in said fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Sewage Works Sinking Fund created by the Prior Ordinance and continued hereby if necessary to prevent a default in the payment of principal or interest on outstanding bonds.

Section 10. (a) Sewage Works Sinking Fund. There shall be deposited from the Revenue Fund into the "Sewage Works Sinking Fund" heretofore established by the Prior Ordinance and continued hereby for the payment of the interest on and principal of revenue bonds which by their terms are payable from the revenues of the Sewage Works, and the payment of any fiscal agency charges in connection with the payment of such bonds and interest thereon, a sufficient amount of the net revenues of said Sewage Works to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account established under the Prior Ordinance and continued hereby in said Sewage Works Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Debt Service Reserve Account, equals the principal of and interest on all of the then outstanding bonds to the final maturity thereof.

(b) Bond and Interest Account. Beginning with the first calendar month following the date of issuance of the Series 1998 Bonds herein authorized, there shall be credited on the first day of each calendar month to the Bond and Interest Account established under the Prior Ordinance and continued hereby, an amount equal to the sum of one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date, and one-twelfth (1/12) of the amount of principal payable on the next principal payment date on all then outstanding bonds which will be payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding respective principal and interest payment dates shall have been so credited; provided that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges, if any, for paying principal and

interest on the bonds as the same become payable. The Town shall, from the sums deposited in the Sewage Works Sinking Fund and credited to the Bond and Interest Account, remit promptly to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of any bank fiscal agency charges.

(c) Debt Service Reserve Account. On the first day of each calendar month, after making the credits to the Bond and Interest Account there shall be credited from available net revenues to the Debt Service Reserve Account created by the Prior Ordinance and continued hereby in amounts sufficient to produce, in equal monthly installments over a sixty (60) month period, an amount equal to the least of (i) the maximum annual debt service on all outstanding bonds, and any other parity bonds of the Town payable from the net revenues of its sewage works that may be hereafter issued, (ii) one hundred twenty-five percent (125%) of the average annual debt service on all outstanding bonds, and any other parity bonds of the Town payable from the net revenues of its sewage works that may be hereafter issued, or (iii) ten percent (10%) of the proceeds of all outstanding bonds, and any other parity bonds of the Town payable from the net revenues of its sewage works that may be hereafter issued (the "Debt Service Reserve Requirement"); provided, however, that the Town may elect to satisfy the Debt Service Reserve Requirement on the date of issuance of the Series 1998 Bonds if so provided in the Clerk-Treasurer's Certificate pursuant to Section 18 hereof. Said credits to the Debt Service Reserve Account shall continue until the balance therein shall equal the Debt Service Reserve Requirement. The Debt Service Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Series 1998 Bonds and any other parity bonds of the Town payable from the net revenues of its sewage works hereafter issued so long as the Debt Service Reserve Requirement has been increased proportionately, and the moneys in the Debt Service Reserve Account shall be used to pay current principal and interest on the Series 1998 Bonds and any parity bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiencies in credits to the Debt Service Reserve Account shall be promptly made up from the next available net revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Debt Service Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on bonds, then such depletion of the balance in the Debt Service Reserve Account shall be made up from the next available net revenues after the credits into the Bond and Interest Account hereinbefore provided for. Any moneys in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement shall be transferred to the Sewage Works Improvement Fund, and in no event shall such excess moneys be held in the Debt Service Reserve Account.

Section 11. Sewage Works Improvement Fund. On the first day of each calendar month after the Series 1998 Bonds are issued, after meeting the requirements for operation, repair, and maintenance, and the Sewage Works Sinking Fund, all available net revenues shall be credited to the Sewage Works Improvement Fund established under the Prior Ordinance and continued hereby. Said fund shall be used for improvements, replacements, additions and extensions of the Sewage Works. Moneys in the Sewage Works Improvement Fund shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal and interest on the

then outstanding bonds or if necessary to eliminate any deficiencies in credits to or minimum balance in the Debt Service Reserve Account of the Sewage Works Sinking Fund.

Section 12. Books of Record and Accounts. The Town shall keep proper books of record and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and deposited in said funds, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sewage Works Sinking Fund, and all other financial transactions relating to said works. There shall be prepared and furnished, upon written request, to any owner of the Series 1998 Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the works, covering the preceding fiscal year. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of the Series 1998 Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the Town relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 13. Covenant With Respect to Rates and Charges. The Town shall, by ordinance of this Town Council and to the fullest extent permitted by law, establish just and equitable rates and charges for the use of and the services rendered by the Sewage Works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such Sewage Works by or through any part of the sewerage system of the Town, or that in any way uses or is served by the Sewage Works. Such rates and charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair, replacements and maintenance of the Sewage Works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by the Act and this Ordinance. Such rates or charges shall, if necessary, be adjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair, replacements and maintenance and the required payments into the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of the Sewage Works by and service rendered to the Town and all departments thereof, and shall be paid semiannually or more often by the Town or the various departments thereof as the charges accrue.

Section 14. Irrevocable Pledge. All of the net revenues of the Sewage Works set apart and to be paid into the Sewage Works Sinking Fund shall be and are hereby irrevocably pledged to the payment of the principal of and interest on the Series 1998 Bonds issued pursuant to the provisions of this Ordinance.

Section 15. Additional Covenants of the Town. For the purpose of further safeguarding the interests of the owners of the Series 1998 Bonds, it is specifically provided as follows:

(a) The Town shall at all times maintain the Sewage Works in good condition and operate the Sewage Works in an efficient manner and at a reasonable cost.

(b) So long as any of the Series 1998 Bonds are outstanding, the Town shall maintain insurance on the insurable parts of the Sewage Works of a kind and in an amount such as is customarily carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business in the State of Indiana. Insurance proceeds collected shall be used in replacing or repairing the property destroyed or damaged or, if not used for such purposes, shall be treated and applied as net revenues of the Sewage Works.

(c) So long as any of the Series 1998 Bonds are outstanding, the Town shall not, either directly or indirectly, mortgage, pledge or otherwise encumber the Sewage Works, or any part thereof, and it shall not sell, lease or otherwise dispose of any portion thereof except to replace equipment which may become worn out or otherwise obsolete.

(d) Except as otherwise provided in Section 17 of this Ordinance, so long as any of the Series 1998 Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the Sewage Works shall be authorized, executed or issued by the Town except such as shall be made subordinate and junior in all respects to the Series 1998 Bonds, unless all of the Series 1998 Bonds are redeemed or retired or defeased pursuant to Section 16 hereof coincidentally with the delivery of such additional bonds or other obligations.

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

(f) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Series 1998 Bonds, and after the issuance of the Series 1998 Bonds, subject to the rights of the Town under Section 29 hereof, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of the owners of the Series 1998 Bonds, and this Town Council shall not adopt any law, ordinance or resolution which in any way would adversely affect the rights of such owners so long as any of the principal of or interest on the Series 1998 Bonds remains unpaid; provided, that the Town shall have the

right to amend this Ordinance without notice to or approval by any owners of the Series 1998 Bonds so long as the Town determines that such amendment, if enacted, would not adversely affect the owners of the Series 1998 Bonds or any other bonds ranking on a parity therewith.

(g) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Series 1998 Bonds for the uses and purposes herein set forth, and the owners of the Series 1998 Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of 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 Sewage Works Sinking Fund for the uses and purposes of such fund as set forth in this Ordinance. The owners of Series 1998 Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, and may either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted pursuant to the Act and the provisions of this Ordinance, and may enforce and compel performance of all duties required by the Act and this Ordinance to be performed by the Town and any board or officer thereof, including the making and collecting of lawful, reasonable and sufficient rates and charges for services rendered by the Sewage Works. In the event of any failure to pay the principal of or interest on any of the Series 1998 Bonds when due, any court having jurisdiction of the action may appoint a receiver to administer the Sewage Works on behalf of the Town and the owners of the Series 1998 Bonds, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay the principal of and interest on the Series 1998 Bonds, and to apply the revenues of the Sewage Works in conformity with the Act and the provisions of this Ordinance.

Section 16. Defeasance of the Series 1998 Bonds. If, when the Series 1998 Bonds (or portions thereof) shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Series 1998 Bonds (or portions thereof) for redemption shall have been given and the whole amount of the principal of and interest on and the premium, if any, so due and payable upon all of the Series 1998 Bonds (or portions thereof) then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks, the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purposes, and provision shall also be made for paying all fees and expenses for the redemption, then and in such

event the Series 1998 Bonds (or portions thereof) shall no longer be deemed outstanding or entitled to the pledge of the revenues of the Sewage Works.

Section 17. Parity Bonds. The Town will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the Sewage Works having priority over the Series 1998 Bonds herein authorized.

The Town reserves the right to authorize and issue additional bonds, payable out of the revenues of the Sewage Works, ranking on a parity with the 1998 Bonds and all other bonds ranking on a parity therewith, for the purpose of financing the cost of future additions, extensions and improvements to the Sewage Works, subject to the following conditions:

(a) The principal of and interest on all bonds payable from the revenues of the Sewage Works shall have been paid to date in accordance with their respective terms.

(b) As of the date of issuance of such additional bonds, all required monthly payments into the Sewage Works Sinking Fund for the then current bond year ending January 1 shall have been made to date, and the balance in the Debt Service Reserve Subaccount of the Sewage Works Sinking Fund shall equal the Debt Service Reserve Requirement (including a corresponding reserve amount for such additional bonds).

(c) The net revenues of the Sewage Works in the fiscal year immediately preceding the issuance of any bonds ranking on a parity with the 1998 Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual principal and interest requirements of all of the then-outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of such parity bonds, the sewage rates and charges shall be increased sufficiently so that such increased rates and charges, if 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 (125%) of the maximum annual principal and interest requirements of all then-outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the Sewage Works shall be analyzed and all showings shall be prepared by an independent certified public accountant retained by the Town for that purpose, who shall certify that he or she has no pecuniary interest in such additions, extensions or improvements, or the financing thereof, other than to analyze such records and prepare such showings.

(d) The principal of such additional parity bonds shall be payable annually on January 1 and the interest thereon shall be payable semiannually on January 1 and July 1, in the years in which such principal and interest are payable.

Section 18. Sale of Series 1998 Bonds; Clerk-Treasurer's Certificate. The sale of the Series 1998 Bonds shall be negotiated with Robert W. Baird & Co. Inc. (the "Original Purchaser"), pursuant to Indiana Code 5-1-5-13 at a price of not less than 98.2% of par (including any original issue discount) and accrued interest to the date of delivery bearing interest at a rate or rates not exceeding five and three-fourths percent (5.75%) per annum as is approved by Certificate of the Clerk-Treasurer of the Town (the "Clerk-Treasurer's Certificate"). The President of the Town Council and the Clerk-Treasurer are hereby authorized to execute and deliver on behalf of the Town a bond purchase contract with the Original Purchaser in such form as such officers shall determine to be acceptable on behalf of the Town. In the event that the Clerk-Treasurer determines that less than all the Series 1998 Bonds authorized by this Ordinance are required to accomplish the refunding of the Prior Bonds, the Clerk-Treasurer's Certificate shall identify the Series 1998 Bonds to be delivered and the remainder, if any, shall not be issued and delivered. The Clerk-Treasurer's Certificate shall also set forth such other terms as provided in this Ordinance. No Series 1998 Bonds shall be issued hereunder unless the Clerk-Treasurer first determines, with the advice of the Town's financial advisor, that such issuance will result in a debt service savings to the Town.

The Series 1998 Bonds shall be offered and sold pursuant to an Official Statement with respect to the Series 1998 Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be determined by the Clerk-Treasurer with the advice of the Town's financial advisor. The Town Council hereby authorizes the President of the Town Council and the Clerk-Treasurer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately modified and amended for distribution as the Preliminary Official Statement of the Town; (b) on behalf of the Town, to designate the Preliminary Official Statement a "final" Official Statement with respect to the Series 1998 Bonds, subject to completion; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement as determined by the Clerk-Treasurer.

Prior to the delivery of the Series 1998 Bonds, the Clerk-Treasurer (i) shall be authorized, with the assistance of H.J. Umbaugh & Associates, to investigate and to obtain insurance and/or credit ratings on the Series 1998 Bonds and (ii) shall obtain a legal opinion as to the validity of the 1998 Bonds from Baker & Daniels, Indianapolis, Indiana, bond counsel for the Town, and such opinion shall be furnished to the purchasers of the Series 1998 Bonds at the expense of the Town. The costs of obtaining any such insurance and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Series 1998 Bonds, shall be considered as a part of the

cost of issuance of the Series 1998 Bonds and shall be paid out of the proceeds of the sale of the Series 1998 Bonds.

The Clerk-Treasurer is hereby authorized and directed to have the Series 1998 Bonds prepared, and the President of the Town Council and the Clerk-Treasurer are hereby authorized and directed to execute or cause the execution of the Series 1998 Bonds in the form and manner substantially hereinbefore provided. Temporary Series 1998 Bonds in typed or mimeographed form may be delivered to the Original Purchaser pending preparation of the definitive Series 1998 Bonds.

Section 19. Disposition of Series 1998 Bond Proceeds. The proceeds of the sale of the Series 1998 Bonds shall be disbursed in the following manner:

(a) All accrued interest shall be deposited in the Sewage Works Sinking Fund and applied toward the first interest payment due on the Series 1998 Bonds.

(b) An amount from the principal proceeds of the sale of the Series 1998 Bonds specified in the Clerk-Treasurer's Certificate executed pursuant to Section 18 hereof shall be applied to the expenses of issuing the Series 1998 Bonds.

(c) An amount either from the proceeds of the sale of the Series 1998 Bonds, or from funds on hand in accounts created or maintained pursuant to the Prior Ordinance, as specified in the Clerk-Treasurer's Certificate executed pursuant to Section 18 hereof, shall be deposited into the Debt Service Reserve Account of the Sewage Works Sinking Fund and applied to the Debt Service Reserve Requirement.

(d) The balance of the proceeds of the sale of the Series 1998 Bonds, together with an amount specified in the Clerk-Treasurer's Certificate executed pursuant to Section 18 hereof in any accounts created or maintained pursuant to the Prior Ordinance, shall be deposited with the Escrow Agent under the Escrow Agreement (as such terms are defined below), such amounts to be invested and applied to the retirement of the Prior Bonds in the manner provided in the Escrow Agreement.

Section 20. Escrow--Appointment of Escrow Agent. An irrevocable escrow deposit agreement (the "Escrow Agreement") between the Town and an escrow agent, which the Clerk-Treasurer is hereby authorized and directed to appoint for the Town (the "Escrow Agent") in the form hereto attached as Exhibit A is hereby approved by this Town Council and the President of the Town Council and Clerk-Treasurer are hereby authorized and directed to execute an Escrow Agreement in substantially such form and to make provision for the execution of such Escrow Agreement by the appropriate officials of the Escrow Agent.

Section 21. Delivery of Series 1998 Bonds and Use of Proceeds. The Series 1998 Bonds will be printed or typewritten and executed as soon as may be after the sale thereof and thereupon shall be delivered to the Original Purchaser thereof upon receipt by the Clerk-Treasurer of the agreed purchase price. The principal proceeds of the sale of the Series 1998 Bonds shall be devoted to and used with due diligence for the refunding for which the Series 1998 Bonds have been authorized to be issued.

Section 22. Tax Covenants. In order to preserve the exclusion from gross income of interest on the Series 1998 Bonds under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Series 1998 Bonds (the "Code"), the Town hereby represents, covenants and agrees as follows:

(a) No person or entity or any combination thereof, other than the Town or any other governmental unit within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit") will use proceeds of the Series 1998 Bonds or property financed or refinanced by such proceeds other than as a member of the general public. No person or entity or any combination thereof other than a Governmental Unit shall own property financed or refinanced out of the proceeds of the Series 1998 Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use of such property by the public at large.

(b) No Series 1998 Bond proceeds will be lent to any entity or person other than a Governmental Unit. No Series 1998 Bond proceeds will be transferred directly or indirectly, or be deemed transferred, to a person or entity other than a Governmental Unit in a fashion that would in substance constitute a loan of such Series 1998 proceeds.

(c) The Town will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause or permit to fail to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 1998 Bonds pursuant to Section 103 of the Code. The Town further covenants that it will not make any investment or do any other act or thing during the period that any Series 1998 Bond is outstanding hereunder which would cause any Series 1998 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the Series 1998 Bonds. In furtherance of the foregoing, the Town Clerk-Treasurer is hereby authorized to invest or to cause to be invested moneys pursuant to the provisions of this Ordinance at a restricted yield, to the extent permitted by and consistent with the provisions for such investments under the Code and to the extent necessary or

advisable to preserve the exclusion from gross income of interest on the Series 1998 Bonds for federal income tax purposes.

(d) With respect to the Series 1998 Bonds, the Town Clerk-Treasurer shall keep full, complete and accurate records of all investment income and other earnings on the amounts held in the funds and accounts created or referred to in this Ordinance. The Town shall further take all actions necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable, including, without limitation, accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

(e) All officers, employees and agents of the Town and the Board are hereby authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Town as of the date that the Series 1998 Bonds are issued, and to make covenants on behalf of the Town evidencing the Town's recognition of and compliance with the covenants and commitments made herein. In particular and without limiting the foregoing, any and all appropriate officers, employees and agents of the Town and the Board are authorized to certify and/or enter into covenants on behalf of the Town regarding (i) the facts and circumstances and reasonable expectations of the Town as of the date that of the Series 1998 Bonds are issued and (ii) the representations and covenants made herein by the Town regarding the amount and use of the proceeds of the Series 1998 Bonds.

(f) The Town Clerk-Treasurer is hereby authorized and directed to employ consultants and attorneys from time to time to advise the Town with respect to the requirements under federal law for the continuing preservation of the exclusion of interest on the Series 1998 Bonds from gross income for purposes of federal income taxation, as described in this Section 22.

Section 23. Waiver of Tax Covenants. Notwithstanding any other provision of this Ordinance, any of the covenants and authorizations contained in Section 22 of this Ordinance (the "Tax Covenants") which are designed to preserve the exclusion of interest on the Series 1998 Bonds from gross income for purposes of federal income taxation need not be complied with if the Town receives an opinion of nationally recognized bond counsel to the effect that compliance with such Tax Covenant is unnecessary to preserve such exclusion of interest.

Section 24. Exchange for Coupon Bonds. If, in the opinion of nationally recognized bond counsel, (i) the issuance of Series 1998 Bonds in coupon form or (ii) pursuant to an election by the registered owner or registered owners of Series 1998 Bonds, the partial or complete exchange of registered Series 1998 Bonds for the Series 1998 Bonds in coupon form would not adversely affect the federal or state tax-excludable or tax-exempt status of the interest on the Series 1998 Bonds, then Series 1998 Bonds in coupon form may be issued in \$5,000 denominations by the Town

in exchange for registered bonds, in the manner set forth in Section 2, and in substantially the form and tenor set forth in Section 7 of this Ordinance, with all necessary or appropriate changes. In such event, the Bond Registrar for the registered Series 1998 Bonds will serve as the paying agent for the Series 1998 Bonds in coupon form, and all payments of principal and interest coupons shall be payable at the principal corporate trust office of the paying agent. Notwithstanding the provisions of Section 2 of this Ordinance, all costs of any such exchange of registered Series 1998 Bonds for Series 1998 Bonds in coupon form shall be borne by the owners or holders of Series 1998 Bonds requesting such exchange.

Section 25. Duties of Bond Registrar. If requested by the Bond Registrar, the President of the Town Council and the Clerk-Treasurer of the Town are authorized to execute and the Clerk-Treasurer is authorized to attest the Bond Registrar's standard form of agreement between the Town and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which shall include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to give notice of redemption of Series 1998 Bonds as provided herein;
- (c) to cancel and destroy Series 1998 Bonds which have been paid at maturity or submitted for exchange or transfer;
- (d) to furnish the Town at least annually a certificate of destruction with respect to Series 1998 Bonds cancelled and destroyed; and
- (e) to furnish the Town at least annually an audit confirmation of Series 1998 Bonds paid, Series 1998 Bonds outstanding and payments made with respect to interest on the Series 1998 Bonds.

Any ongoing fees the Bond Registrar may charge for the services it provides as Bond Registrar shall be paid from the Sewage Works Sinking Fund as described in this Ordinance referred to in Section 10 hereof. The initial fee of the Bond Registrar shall be paid from the proceeds of the Series 1998 Bonds as a cost of issuance.

Section 26. Redemption of Prior Bonds. The Prior Bonds in the principal amount of \$655,000 and maturing on January 1 of the years 2000 to 2009, inclusive, shall be called for redemption on January 1, 1999, or as soon thereafter as practicable. The principal of the Prior Bonds coming due on January 1, 1999 in the amount of \$40,000, and accrued interest on the Prior Bonds coming due on January 1, 1999, together with the redemption price of the Prior Bonds to be redeemed, shall be paid from the escrow fund authorized to be established by this Ordinance. The Escrow Trustee on behalf of the Town is hereby authorized and directed to cause notice of

redemption for all such Prior Bonds to be given in accordance with the Prior Ordinance and to take all necessary and appropriate actions to accomplish such redemption.

Section 27. Transfer of Certain Funds. The Clerk-Treasurer of the Town is hereby authorized and directed to transfer all of the moneys in the funds and accounts created and maintained pursuant to the Prior Ordinance into the respective funds and accounts herein created, as specified in the Clerk-Treasurer's Certificate pursuant to Section 18. Such transfers shall be effected simultaneously with the delivery of the Series 1998 Bonds and only after there shall have been in effect the deposit in trust for the retirement of the Prior Bonds pursuant to Section 16 hereof.

Section 28. Findings. It is hereby expressly found and declared by this Town Council that the issuance of the Series 1998 Bonds and the defeasance of the Prior Bonds will effect a savings to the Town.

Section 29. Modification of Ordinance. The owners of two-thirds in principal amount of all Series 1998 Bonds payable from the Sinking Fund at any time outstanding (not including in any case any Series 1998 Bonds which may then be held or owned by or for the account of the Town or for which provision for payment shall have been made pursuant to Section 16, but including such refunding bonds as may be issued for the purpose of refunding any of the Series 1998 Bonds if such refunding bonds shall not then be owned by the Town) shall have the right from time to time to consent to and approve the adoption by the Town of an ordinance or ordinances modifying or amending any of the terms or provisions contained in this Ordinance; provided, however, that this Ordinance may not be so modified or amended in such manner as to:

- (a) Make any change in the maturity of the Series 1998 Bonds;
- (b) Make any change in the rate of interest borne by any of the Series 1998 Bonds;
- (c) Reduce the amount of the principal payable on any Series 1998 Bond;
- (d) Modify the terms of payment of principal of or interest on the Series 1998 Bonds or any of them or impose any conditions with respect to such payment;
- (e) Affect the rights of the owners of less than all of the Series 1998 Bonds then outstanding; or
- (f) Reduce the percentage of the principal amount of Series 1998 Bonds the consent of the owners of which is required to effect a further modification.

Whenever the Town shall propose to amend or modify this Ordinance under the provisions of this section, it shall cause notice of the proposed amendment to be mailed by first class

mail to each of the owners of the Series 1998 Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance is on file in the office of the Clerk-Treasurer of the Town for public inspection.

Whenever at any time within one year from the date of the mailing of said notice there shall be filed with said Clerk-Treasurer an instrument or instruments executed by the owners of at least two-thirds in aggregate principal amount of Series 1998 Bonds then outstanding as in this section defined, which instrument or instruments shall refer to the proposed amendatory ordinance described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, this Town Council may adopt such amendatory ordinance and such ordinance shall become effective.

If the owners of at least two-thirds in aggregate principal amount of the Series 1998 Bonds outstanding as in this section defined, at the time of the adoption of such amendatory ordinance, or the predecessors in title of such owners, shall have consented to and approved the adoption of such amendatory ordinance, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no owner of any Series 1998 Bond whether or not such owner shall have consented to or shall have revoked any consent as in this section provided, shall have any right or interest to object to the adoption of such amendatory ordinance or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Town from taking any action pursuant to the provisions thereof.

Any consent given by the owner of a Series 1998 Bond pursuant to the provisions of this section shall be irrevocable for a period of six (6) months from the date of the mailing of the notice above provided for and shall be conclusive and binding upon all future owners of the same Series 1998 Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the mailing of such notice by the owner who gave such consent or by a successor in title by filing notice of such revocation with the Town Clerk-Treasurer, but such revocation shall not be effective if the owners of two-thirds in aggregate principal amount of the Series 1998 Bonds outstanding as in this section defined shall have, prior to the attempted revocation, consented to and approved the amendatory ordinance referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgements of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution sworn to before such officer.

The amount of the Series 1998 Bonds held by any person executing such instrument and the date of his holding the same shall be established by the Bond Register maintained by the Bond Registrar.

Section 30. Designation of Series 1998 Bonds as "Qualified Tax-Exempt Obligations". The Series 1998 Bonds are hereby designated as "qualified tax-exempt obligations"

for purposes of Paragraph (3) of Section 265(b) of the Code, and any or all officials, officers, members, employees and agents of the Town are hereby authorized to execute on behalf of the Town any documents necessary or appropriate to evidence further such designation. The reasonably anticipated amount of "tax-exempt obligations" (as such term is used in Section 265(b) of the Code) (other than obligations described in Section 265(b)(3)(C)(iii) of the Code) which will be issued by or on behalf of the Town and subordinate entities during the calendar year 1998 does not exceed \$10,000,000. The designation set forth in this Section 30 may be revoked by the Town Clerk-Treasurer by written certificate at any time prior to the sale of the Series 1998 Bonds.

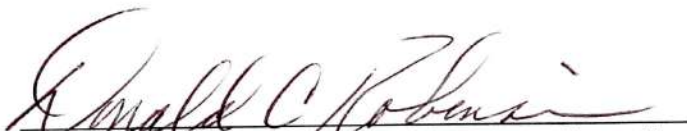
Section 31. Separability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 32. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

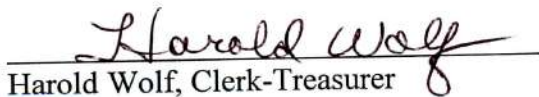
Section 33. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

Section 34. Effective Date. This Ordinance shall be in immediate effect from and after its passage and approval by the President of the Town Council.

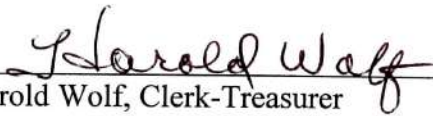
Passed and adopted by the Town Council of the Town of Fort Branch on the 4th day of November, 1998.


Donald Robinson, President of the Town Council

Attest:


Harold Wolf, Clerk-Treasurer

Presented by me to the President of the Town Council of the Town of Fort Branch
on the 4th day of November, 1998, at the hour of 7:30 p.m.


Harold Wolf, Clerk-Treasurer

This ordinance approved and signed by me on the 4th day of November, 1998
at the hour of 7:30 p.m.


Donald Robinson, President of the Town Council

EXHIBIT A

IRREVOCABLE ESCROW DEPOSIT AGREEMENT

This Irrevocable Escrow Deposit Agreement dated as of November 1, 1998 between _____, a national banking association having full trust powers and a member of the Federal Deposit Insurance Corporation, duly organized and existing under the laws of the United States of America and having its principal office in Indianapolis, Indiana (the "Escrow Trustee"), and the Town of Fort Branch, in Gibson County, Indiana (the "Town"),

W I T N E S S E T H

WHEREAS, the Town has heretofore issued \$925,000 Sewage Works Revenue Bonds of 1989, dated March 1, 1989 (the "Prior Bonds"), which bonds maturing in the years 1999 to 2009, inclusive, are now outstanding in the principal amount of \$695,000 and are more fully described in Schedule A hereto attached; and

WHEREAS, the Prior Bonds in the aggregate principal amount of \$695,000 are subject to redemption prior to maturity on January 1, 1999 at par plus a premium of 2% and accrued interest; and

WHEREAS for the purpose of refunding the Prior Bonds, the Town has pursuant to an ordinance adopted on November __, 1998 (the "Bond Ordinance") authorized the issuance of \$_____ Sewage Works Revenue Refunding Bonds, Series 1998 (the "Refunding Bonds") dated November 1, 1998; and

WHEREAS pursuant to the Bond Ordinance, the Escrow Trustee has been appointed Escrow Trustee by the Town for the purpose of assuring the payment of the principal, premium and interest on the Prior Bonds, and the President of the Town Council and the Clerk-Treasurer of the Town have been authorized and directed to execute an Irrevocable Escrow Deposit Agreement with the Escrow Trustee substantially in the form of this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Town and the Escrow Trustee have agreed and hereby agree as follows for the equal and proportionate benefit and security of the holders of the Prior Bonds:

Section 1. The Town will hereafter cause to be deposited with the Escrow Trustee for the account of the Town from the proceeds of the Refunding Bonds the sum of \$_____ together with the sum of \$_____ from other sources legally available to the Town, which total amount together with the investment income from all such moneys is herein referred to as the Escrow Fund.

Section 2. The outstanding Prior Bonds in the principal amount of \$695,000 shall be called for redemption by the Town on January 1, 1999.

Notice of call for redemption with respect to the Prior Bonds shall be given by registered or certified mail to the registered holders, if any, of the Prior Bonds to be redeemed at the address of such holder shown on the Bond Registrar's registration books. Such notice shall be given at least 30 days prior to January 1, 1999. Such notice shall be in substantially the form attached hereto as Exhibit A-1.

Section 3. The Escrow Fund shall be immediately invested in the non-callable direct obligations of the United States of America ("Investment Securities") described in Schedule B attached at the price therein stated, all as more fully described in Schedule B hereto attached, resulting in an initial cash balance in said fund from such proceeds of \$_____.

The investment income from the Investment Securities in the Escrow Fund shall be credited to such fund and shall not be reinvested except as provided herein. The Escrow Trustee shall not sell any of the Investment Securities; provided, that Investment Securities in the Escrow Fund may be replaced by the Town only (i) when the Escrow Trustee receives an opinion of counsel of recognized experience in matters under Section 148 of the Internal Revenue Code relating to arbitrage bonds that such replacement will not cause the Refunding Bonds or the Prior Bonds to be arbitrage bonds, and (ii) when the Escrow Trustee receives an opinion of a certified public accountant that such replacement will not reduce the amount of money available to pay principal, premium and interest on the Prior Bonds when due below the amount necessary to make such payment. Any replacement Investment Securities shall be non-callable direct obligations of the United States of America.

If so directed in writing by the Town, the Escrow Trustee shall invest and reinvest in Investment Securities, any moneys remaining from time to time in the Escrow Fund until such time that they are needed. Such moneys shall be reinvested in Investment Securities maturing no later than the next interest or principal payment date (or redemption date) of the Prior Bonds on which such moneys are required for payment of the Prior Bonds, or for such shorter periods and at such interest rates as the Escrow Trustee shall be so directed to invest by the Town. The Escrow Trustee shall reinvest in such Investment Securities pursuant to this Section 3 only after receiving an opinion of nationally recognized bond counsel to the effect that (i) such reinvestment of such moneys will not, under the statutes, rules and regulations then in force and applicable to the Prior Bonds and the Refunding Bonds, cause the interest on any of the Prior Bonds or the Refunding Bonds to be includable in gross income for federal income tax purposes and (ii) such reinvestment is not inconsistent with the statutes and regulations applicable to the Prior Bonds and the Refunding Bonds or the terms of the ordinance authorizing the Prior Bonds (the "Prior Ordinance") or the Bond Ordinance. Any interest income resulting from the reinvestment of moneys pursuant to this Section 3 shall be transferred to the Town upon termination of this Agreement and applied in accordance with Section 8 hereof. If it is necessary to file subscriptions for the purchase of such Investment Securities, the Escrow Trustee is hereby authorized and directed to file such subscriptions with the Federal Reserve Bank on behalf of the Town at such time as may be required by the rules and regulations relating to the purchase of such Investment Securities.

Section 4. Except as herein expressly provided, no paying agent's fees for the payment of principal, premium or interest on the Refunding Bonds, the Prior Bonds or registrar's fees or other charges may be paid from the escrowed money or Investment Securities prior to retirement of all Prior Bonds and the Town agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 5. At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of principal, premium and interest falling due on the Prior Bonds or for the payment of the fees, charges and expenses of the Escrow Trustee, the Escrow Trustee shall promptly notify the Town of such deficiency.

Section 6. The Escrow Trustee shall deliver to the Clerk-Treasurer of the Town a report of each transaction relating to the Escrow Fund as such transaction occurs.

Section 7. The Escrow Trustee agrees with the Town that the charges, fees and expenses of the Escrow Trustee throughout the term of this Agreement shall be the sum of \$_____, payable in advance, the receipt of which sum is hereby acknowledged by the Escrow Trustee.

Section 8. The Escrow Trustee shall without further authorization or direction from the Town collect the principal of and interest on the Investment Securities promptly as the same shall fall due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or its successor for the Prior Bonds, of moneys sufficient for the payment of the principal, premium and interest on such Prior Bonds as the same become due and payable, all as set out in Schedules A-1 through A-4 hereof. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal, premium and interest by such paying agent or agents without default. The Town represents and warrants that the Escrow Fund, if held, invested and disposed of by the Escrow Trustee in accordance with the provisions of this Agreement, will be sufficient to make the foregoing and all other payments required under this Agreement. The proper paying agents for the Prior Bonds are shown in Schedules A-1 through A-4. When the aggregate total amount required for the payment of principal, premium and interest on the Prior Bonds has been paid to the applicable paying agent bank as hereinabove provided, the Escrow Trustee shall transfer any moneys or Investment Securities then held hereunder to the Town and this Agreement shall cease.

Section 9. The Escrow Trustee and the Town recognize that the holders from time to time of the Prior Bonds have moneys to be held by the Escrow Trustee as herein provided and in the provisions of this Agreement. It is therefore recited, understood and agreed that, except as herein provided, this Agreement shall not be subject to revocation or amendment until its provisions have been fully carried out; provided, that this Agreement may be amended in such manner and at such time as may be necessary in order to comply with future regulations or rulings of the United States Treasury Department.

No holder of any Prior Bond shall have any right to institute any action or proceeding at law or in equity for the enforcement of this Agreement unless the holders of not less than 25 percent in aggregate principal amount of such issue of Prior Bonds shall have made written request to the Escrow Trustee and shall have offered it reasonable opportunity to perform its duties under this Agreement, nor unless the Escrow Trustee shall thereafter within a reasonable time fail or refuse to perform its duties under this Agreement.

Section 10. The Escrow Trustee shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Town or any paying agent of any of its obligations, or to protect any of the Town's rights under any bond proceeding or any of the Town's other contracts with or franchises or privileges from any state, county, Town or other governmental agency or with any person. The Escrow Trustee shall not be liable for any act done or step taken or omitted by it, or for any mistake of fact or law, or for anything which it may do or refrain from doing, except for its gross negligence or its default in the performance of any obligation imposed upon it hereunder. The Escrow Trustee shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Prior Bonds or the Refunding Bonds or in any proceedings taken in connection therewith, but they are made solely by the Town. The Escrow Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement and in full compliance with the provisions hereof.

Section 11. None of the provisions contained in this Agreement shall require the Escrow Trustee to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Trustee shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided.

Section 12. The Town agrees that it will promptly and without delay remit to the Escrow Trustee, within ten days after receipt of its written request, such additional sum or sums of money as may be necessary to assure the payment of the Prior Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Trustee in carrying out any of the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Section 5 hereof.

Section 13. The Escrow Trustee shall hold the Investment Securities and all money received by it from the collection of principal of and interest on the Investment Securities, and all money received from the Town hereunder, in a special fund and separate trust account wholly segregated from all other funds and investments deposited with the Escrow Trustee, and shall never commingle such investments with other money or investments.

Section 14. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 15. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by telegram as follows:

If to the Town, at
Town of Fort Branch

Fort Branch, Indiana _____
Attention: Town Clerk-Treasurer; and

If to the Escrow Trustee, at

The Town and the Escrow Trustee may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

IN WITNESS WHEREOF the Town has caused this Agreement to be signed in its name by the President of the Town Council and attested by the Town Clerk-Treasurer and the official seal of the Town to be impressed hereon, and the Escrow Trustee has caused this Agreement to be signed in its corporate name by its _____ and attested by its _____ and its corporate seal to be impressed hereon, all as of the date first above written.

TOWN OF FORT BRANCH, INDIANA

By _____
Donald Robinson, President
of the Town Council

(SEAL)

Attest:

Harold Wolf, Clerk-Treasurer

as Escrow Trustee

By _____
_____, _____

(SEAL)

Attest:

_____, _____

SCHEDULE A-1: Prior Bonds

Irrevocable Escrow Deposit Agreement

dated as of November 1, 1998

Town of Fort Branch, Indiana

\$ _____ Sewage Works Revenue Refunding Bonds, Series 1998
dated November 1, 1998

<u>Payment Date</u>	<u>Principal</u>	<u>Call Premium</u>	<u>Interest</u>	<u>Total Amount Due</u>
01/01/99	\$655,000	\$13,100	\$-0-	\$668,100
			(by redemption)	
01/01/99	\$ 40,000	\$ -	\$ _____	\$ _____

Paying Agent: _____

SCHEDULE B

Irrevocable Escrow Deposit Agreement
dated as of November 1, 1998
Town of Fort Branch, Indiana

Investment Securities to be acquired pursuant
to the Escrow Agreement for \$ _____

<u>Maturity Dates</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Description</u>	<u>Cost</u>
01/01/99	\$ _____	_____	_____	_____
TOTAL	\$ _____			\$ _____

[Subject to the substitutions indicated on the
following page (if any)]