ORDINANCE NO. 07-19-2000

An Ordinance which amends Ordinance Nos. 10-21-98-A and 10-21-98-B concerning the issuance of the District's Sewage Works Revenues Bonds of 1998 and Sewage Works Revenue Bonds of 1999.

WHEREAS, the Lake Santee Regional Sewer District (the "District"), through its Board of Trustees (the "Board"), has previously issued its Sewage Works Revenue Bonds of 1998, in accordance with IC 13-26 and pursuant to Ordinance No. 10-21-98-B; and

WHEREAS, the District, through its Board, has authorized the issuance of its Sewage Works Revenue Bonds of 1999, in accordance with IC 13-26 and pursuant to Ordinance No. 10-21-98-A; and

WHEREAS, the Sewage Works Revenue Bonds of 1999 (the "1999 Bonds") are owned by the United States of America, United States Department of Agriculture ("USDA"); and

WHEREAS, the Sewage Works Revenue Bonds of 1998 (the "1998 Bonds") are owned by Union Bank and Trust Company of Indiana; and

WHEREAS, the District has received a request from USDA to amend Ordinance No. 10-21-98-A to revise the additional bonds test set forth therein; and

WHEREAS, the Board has been advised that revision of the additional bonds test for the 1999 Bonds will also require that the additional bonds test for the 1998 Bonds be amended so that both tests have identical requirements; and

WHEREAS, the Board has determined to adopt this ordinance and amend Ordinance Nos. 10-21-98-A and 10-21-98-B to comply with such request; and

WHEREAS, the District has secured the permission of the owner of the 1998 Bonds to make such amendment; and

WHEREAS, the Board has determined that it is necessary and proper to comply with the request of USDA and adopt this ordinance to effect such amendment and revisions to the additional bonds test; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE LAKE SANTEE REGIONAL SEWER DISTRICT, THAT:

Section 1. Section 18(b) of Ordinance No. 10-21-98-A is hereby amended and restated as follows:

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance shall not be less than one hundred twenty percent (120%) of the average annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, if USDA no longer owns the bonds, or USDA provides its consent, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty percent (120%) of the average annual interest and principal requirements of the 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 a certified public accountant employed by the District for that purpose.

Section 2. Section 17(b) of Ordinance No. 10-21-98-B is hereby amended and restated as follows:

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance shall not be less than one hundred twenty percent (120%) of the average annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty percent (120%) of the average annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. The District shall be able to take into account an increase in the sewage rates and charges if: (i) the Rural Development Bonds are no longer outstanding, (ii) the Rural Development Bonds are no longer owned by the United States Department of Agriculture ("USDA"), or (iii) the District receives the consent of USDA. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the District for that purpose.

Section 3. The Board finds that it has made the amendment to Ordinance No. 10-21-98-A authorizing the 1999 Bonds at the request of USDA and with the consent of USDA.

Section 4. The Board finds that it has made the amendment to Ordinance No. 10-21-98-B authorizing the 1998 Bonds with the permission of Union Bank and Trust Company of Indiana, the owner of the 1998 Bonds.

Section 5. Other than the amendments made to Sections 18(b) and 17(b) of Ordinance Nos. 10-21-98-A and 10-21-98-B respectively, no other changes to Ordinance Nos. 10-21-98-A and 10-21-98-B are made and all other provisions of such ordinances shall remain in full force and effect.

Section 6. This ordinance shall be in full force and effect from and after its date of passage.

PASSED AND ADOPTED this 19 day of JULY, 2000.

BOARD OF TRUSTEES OF THE LAKE SANTEE REGIONAL SEWER DISTRICT

Scott Rhuster

Dan Shelby

Harold O. Cooke

Attest:

Secretary