

RESOLUTION NO. 2012-0618-02

A Resolution of the Board of Directors of the West Central Conservancy District authorizing the refunding of its Sewage Works Revenue Bonds of 2002, the issuance of the District's sewage works refunding revenue bonds for such purpose; providing for the collection, segregation and distribution of the revenues of the District and the safeguarding of the interests of the owners of the District's sewage works refunding revenue bonds authorized herein; and other matters connected therewith and repealing resolutions inconsistent herewith

WHEREAS, the Board of Directors (the "Board") of the West Central Conservancy District (the "District") has heretofore established, acquired and financed its sewage works, and now owns and operates said sewage works pursuant to Indiana Code 14-33, as supplemented and amended (collectively, the "Act"); and

WHEREAS, the Board finds that certain hereinafter described outstanding sewage works bonds of the District should be refunded to obtain a reduction in interest payments and effect a savings to the District and that revenue bonds of the District should be issued to pay and defease such outstanding bonds; that the refunding of such outstanding bonds of the District, together with redemption premium, if any, and accrued interest thereon and including all costs related to the refunding should not be provided for out of funds of the District now on hand and the refunding should be accomplished by the issuance of revenue bonds of the sewage works of the District; and

WHEREAS, the Board finds that there are now outstanding bonds originally issued to finance the construction of improvements and additions to the District's sewage works and payable out of the revenues therefrom designated as the "West Central Conservancy District Sewage Works Revenue Bonds of 2002," issued pursuant to Resolution 2002-02-04 adopted by the District on March 11, 2002, as amended by Resolution No. 2002-02-05, adopted by the District on March 20, 2002, and originally issued in the aggregate principal amount of \$21,800,000, now outstanding in the principal amount of \$16,355,000, and maturing annually over a period ending July 1, 2027 (the Refunded Bonds"), which constitute a first charge upon the Net Revenues (as hereinafter defined) of the sewage works of the District and which were purchased and are held by the Indiana Bond Bank; and

WHEREAS, the Board also finds that there is now outstanding the West Central Conservancy District 2012 Note (the "2012 Note"), issued pursuant to Resolution 2012-0220-1

adopted by the District on February 20, 2012, and originally issued in the aggregate principal amount of \$6,000,000, and maturing March 5, 2014, which 2012 Note is a special and limited obligation of the District, payable from a first call on exceptional benefits assessments made to real property within the District, in accordance with the Act (“Exceptional Benefits Revenue”), and a second call from District Net Revenues (as defined herein); and

WHEREAS, the Board finds that the Refunded Bonds should be refunded pursuant to the provisions of Indiana Code 5-1-5 and the Act to enable the District to obtain a reduction in interest payments and effect a savings to the District; and

WHEREAS, the Board finds that it is advisable to issue its refunding revenue bonds in an aggregate principal amount not to exceed \$17,640,000 and to use the proceeds, together with funds on hand, to refund the Refunded Bonds and to pay for all costs related to the refunding; and

WHEREAS, in order to accomplish the refunding of the Refunded Bonds, to secure the payment of the principal of, premium, if any, and interest thereon through the maturity or redemption dates thereof, as the case may be, the District has determined that a portion of the proceeds of the Bonds may be paid to (i) an escrow trustee (the “Escrow Trustee”), held and applied pursuant to an escrow deposit agreement (the “Escrow Agreement”), or (ii) to the trustee for the corresponding series of bonds issued by the Bond Bank to provide funds with which to purchase the Refunded Bonds, for the benefit of the Indiana Bond Bank, as the purchaser of the Refunded Bonds, providing for the amounts on deposit thereunder to be used to pay the principal of, premium, if any, and interest on the Refunded Bonds to and on their respective redemption or maturity dates, as the case may be; and

WHEREAS, after consulting with the financial advisor of the District, the Board hereby determines that the Refunding Bonds shall be sold to Old National Bank, a national banking association (the “Purchaser”), pursuant to a negotiated sale in accordance with Indiana Code 5-1-5 and the Act, in order to obtain a reduction in interest payments and effect a savings to the District; and

WHEREAS, the Board hereby finds and authorizes the issuance of certain Refunding Bonds (as defined herein) to be secured by the District’s pledge of (i) the Net Revenues (as hereinafter defined) of the sewage works of the District, and (ii) the pledge of Exceptional Benefits Revenue of the District, which shall constitute a second lien of the Exceptional Benefits

Revenue subject to the debt service payments on the 2012 Note as such becomes due and payable; and

WHEREAS, the Board now finds that all conditions precedent to the adoption of a resolution authorizing the issuance of the District's sewage works refunding revenue bonds have been complied with in accordance with the provisions of the Act, each as in effect on the date of delivery of the bonds authorized herein;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST CENTRAL CONSERVANCY DISTRICT, THAT:

Sec. 1. Issuance of Refunding Bonds; Redemption of Refunded Bonds. (a) The District, being the owner of and engaged in operating an unencumbered sewage works supplying the District and its inhabitants with sewage collection treatment services, now finds it necessary to provide funds for refunding the Refunded Bonds thereby reducing its interest payments and effecting a savings, as reported by the District's financial advisor, H.J. Umbaugh & Associates. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this resolution shall be construed to mean and include the existing sewage works system of the District and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired.

(b) The District shall issue, in one or more series, its "Sewage Works Refunding Revenue Bonds of 20___," to be completed with the year and series in which the bonds are issued ("Refunding Bonds") in an aggregate principal amount not to exceed \$17,640,000 for the purpose of procuring funds to be applied to the refunding of the Refunded Bonds, the payment of costs of issuance and all other costs related to the refunding. The District shall apply any other moneys currently held for the payment of debt service on the Refunded Bonds to the refunding as provided in Section 7.

The Refunding Bonds shall be issued in the denomination of One Thousand Dollars (\$1,000) each or integral multiples thereof, numbered consecutively from 1 upward, dated as of the first day of the month in which they are sold or delivered, or the date of delivery, as determined by the Financial Clerk of the District, with the advice of the District's financial advisor, and interest shall be payable semiannually on January 1 and July 1 in each year, beginning not later than January 1, 2013. The Refunding Bonds shall be sold at a price of not

less than 99.5% of the par value thereof and shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined). Such Refunding Bonds shall bear interest at a rate or rates not exceeding 3.5% per annum (the exact rate or rates to be determined by negotiated sale) and shall mature semiannually, or shall be subject to mandatory sinking fund redemption if term bonds are issued, on January 1 and/or July 1 of each year commencing not later than January 1, 2013, over a period ending no later than July 1, 2027, and in such amounts which will achieve as level annual debt service as practicable with \$1,000 denominations.

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

All or a portion of the Refunding Bonds may be issued as one or more term bonds, upon election of the Purchaser thereof. Such term bonds shall have a stated maturity or maturities of January 1 and/or July 1, in the years as determined by the Purchaser, but in no event later than the last serial maturity date of the Refunding Bonds as determined in accordance with the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereinafter determined in accordance with the above paragraph.

Sec. 2. Registrar and Paying Agent; Book Entry Provisions. The Chairman and Financial Clerk of the District are hereby authorized to contract with a qualified financial institution to serve as Registrar and Paying Agent for the Refunding Bonds or the Financial Clerk of the District may serve as the Registrar and Paying Agent for the Refunding Bonds ("Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Refunding Bonds. The Financial Clerk is hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The Financial Clerk is further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Sinking Fund established to pay the principal of and interest on the Refunding Bonds as fiscal agency charges.

The principal of the Refunding Bonds shall be payable at the principal corporate trust office or principal office, as applicable, of the Paying Agent. All payments of interest on the

Refunding Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the fifteenth day of the month preceding the interest payment date ("Record Date") and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Refunding Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Refunding Bond shall be transferable or exchangeable only upon the books of the District kept for that purpose at the principal corporate trust office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Refunding Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Refunding Bond or Refunding Bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the District. The District, the Registrar and Paying Agent for the Refunding Bonds may treat and consider the person in whose name such Refunding Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving thirty (30) days notice in writing to the District and by first class mail to each registered owner of the Refunding Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) day period or upon the earlier appointment of a successor registrar and paying agent by the District. Any such notice to the District may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as

Registrar and Paying Agent by the District, in which event the District may appoint a successor registrar and paying agent. The District shall notify each registered owner of the Refunding Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Refunding Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the District, the Financial Clerk is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Refunding Bonds. The Financial Clerk is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sinking Fund continued in Section 13 hereof.

Any predecessor registrar and paying agent shall deliver all of the Refunding Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

The District has determined that it may be beneficial to the District to have the Refunding Bonds held by a central depository system pursuant to an agreement between the District and The Depository Trust Company, New York, New York ("Depository Trust Company") and have transfers of the Refunding Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Refunding Bonds may be initially issued in the form of a separate single authenticated fully registered Refunding Bond for the aggregate principal amount of each separate maturity of the Refunding Bonds. In such case, upon initial issuance, the ownership of such Refunding Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Refunding Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the District and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Refunding Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial

Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Refunding Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Refunding Bonds except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Refunding Bond evidencing an obligation of the District to make payments of the principal of and premium, if any, and interest on the Refunding Bonds pursuant to this resolution. The District and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Refunding Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Refunding Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Refunding Bonds; (iii) registering transfers with respect to such Refunding Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the District's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the District of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this resolution shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Refunding Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Refunding Bonds and all notices with respect to such Refunding Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the District to the Depository Trust Company.

Upon receipt by the District of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities

and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Refunding Bonds shall no longer be restricted to being registered in the register of the District kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Refunding Bonds shall designate, in accordance with the provisions of this resolution.

If the District determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Refunding Bonds, the District may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Refunding Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Refunding Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the District and the Registrar to do so, the Registrar and the District will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Refunding Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Refunding Bonds.

If the Refunding Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Refunding Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Refunding Bonds printed until it shall have received from the District indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to bondholders by the District or the Registrar with respect to any consent or other action to be taken by bondholders, the District or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as said Refunding Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the District and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Refunding Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Refunding Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this resolution and the District and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Refunding Bonds, together with the dollar amount of each Beneficial Owner's interest in the Refunding Bonds and the current addresses of such Beneficial Owners.

Interest on the Refunding Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Refunding Bonds unless the Refunding Bonds are authenticated after the Record Date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Refunding Bonds are authenticated on or before the Record Date preceding the first interest payment date, in which case they shall bear interest from the original date of the Refunding Bonds until the principal shall be fully paid.

Sec. 3. Redemption of Refunding Bonds. Prepayment of the Refunding Bank may be made to the extent and in the manner expressly permitted by this section and the Schedule I to the form of Refunding Bond set forth in Section 5 hereof. The Refunding Bonds are redeemable prior to maturity at the option of the District on any date, in whole or in part, in the order of maturity as determined by the District and by lot within a maturity, at face value, together with a premium as described in Schedule I to the form of Refunding Bond set forth in Section 5 hereof. The exact redemption features shall be established by the Financial Clerk, with the advice of the District's financial advisor, prior to the sale of the Refunding Bonds.

Each One Thousand Dollars (\$1,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called

for redemption, the Refunding Bonds to be called shall be selected by lot by the Registrar. If some Refunding Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Refunding Bonds for optional redemption before selecting the Refunding Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of such redemption shall be given at least thirty (30) days prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Refunding Bond. Such notice shall be mailed to the address of the registered owners as shown on the registration records of the District as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Refunding Bonds called for redemption. The place of redemption shall be determined by the District. Interest on the Refunding Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the principal office of the Paying Agent to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the Refunding Bonds so called for redemption shall be surrendered for cancellation.

Sec. 4. Execution and Negotiability. Each of the Refunding Bonds shall be executed in the name of the District by the manual or facsimile signature of the Chairman or Vice Chairman, attested by the manual or facsimile signature of its Secretary, and these officials, by the execution of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures the facsimile signatures appearing on the Refunding Bonds. In case any officer whose signature or facsimile signature appears on the Refunding Bonds shall cease to be such officer before the delivery of the Refunding Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

The Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein.

The Refunding Bonds shall also be authenticated by the manual signature of the Registrar and no Refunding Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Sec. 5. Form of Bonds. The form and tenor of the Refunding Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery:

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the West Central Conservancy District, in Hendricks County, State of Indiana, or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF HENDRICKS

WEST CENTRAL CONSERVANCY DISTRICT
SEWAGE WORKS REFUNDING REVENUE BOND OF 2012

Interest <u>Rate</u>	Maturity <u>Date</u>	Original <u>Date</u>	Authentication <u>Date</u>	CUSIP <u>No.</u>
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REGISTERED OWNER:

PRINCIPAL SUM:

The West Central Conservancy District, in Hendricks County, State of Indiana, for value received, hereby promises to pay to the Registered Owner named above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before _____ 15, 20__, in which case it shall bear interest from the

Original Date, until the principal is paid, which interest is payable semiannually on the first days of January and July in each year, beginning on _____ 1, 20___. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana. All payments of interest on this bond shall be paid by check, mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

[The bonds shall be initially issued in a Book Entry System (as defined in the Resolution). The provisions of this bond and of the Resolution are subject in all respects to the provisions of the Letter of Representations between the District and DTC, or any substitute agreement, effecting such Book Entry System.]

THE DISTRICT SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS APART SHALL IN ANY RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE DISTRICT WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

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

IN WITNESS WHEREOF, the West Central Conservancy District, in Hendricks County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of its Chairman.

WEST CENTRAL CONSERVANCY DISTRICT

By: _____
Chairman

Attest:

Secretary

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

_____,
as Registrar

By: _____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the West Central Conservancy District of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating _____ Dollars (\$ _____); numbered consecutively from 1 up; issued for the purpose of refunding certain Refunded Bonds (as defined in the hereinafter defined Resolution) and to pay incidental expenses. This bond is issued pursuant to a Resolution adopted by the Board of Directors of the West Central Conservancy District on the _____ day of _____, 2012, entitled "Resolution No. 2012-_____ A Resolution of the Board of Directors of the West Central Conservancy District authorizing the refunding of its Sewage Works Revenue Bonds of 2002, the issuance of the District's sewage works refunding revenue bonds for such purpose; providing for the collection, segregation and distribution of the revenues of the District and the safeguarding of the interests of the owners of the District's sewage works refunding revenue bonds authorized herein; and other matters connected therewith and repealing resolutions inconsistent herewith" (the "Resolution"), and in accordance with the provisions of Indiana law, including Indiana Code 14-32 (the "Act") and Indiana Code 5-1-5, the proceeds of which bonds are to be applied solely to said refunding of the Refunded Bonds, including the incidental expenses incurred in connection therewith.

Pursuant to the provisions of the Act and Indiana Code 5-1-5 and the Resolution, the principal of and interest on this bond and all other bonds of said issue, and any bonds hereafter issued on a parity therewith are payable solely from the Sinking Fund continued by the Resolution (the "Sinking Fund") to be provided from the Net Revenues (defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the District, including the works constructed or acquired by the use of the proceeds of this Bond and the issue of which it is a part, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. Gross revenues do not include Facility

Utilization Fees or Interceptor Utilization Fees as defined in District Resolution No. 02-02, or “exceptional benefits assessments” as defined in the Act, or System Development Charges as defined in District Resolution 04-01, adopted May 17, 2004.

Pursuant to the Resolution [and the Escrow Agreement defined therein], the District has set aside securities (purchased from proceeds of the bonds of this issue and funds on hand of the District) and certain cash [in a Trust Account] to provide payment of principal of and interest and redemption premium on the Refunded Bonds by the purchase of obligations of the United States of America.

The District hereby irrevocably pledges the Net Revenues (as defined in the Resolution), pursuant to Indiana Code 5-1-14-4, to the prompt payment of the principal of and interest on the bonds authorized by the Resolution, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the District as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the sewage works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Resolution. If the District or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for under Indiana law.

The District hereby further pledges its Exceptional Benefits Revenues (as defined in the Resolution), pursuant to Indiana Code 5-1-14-4, subject to the prior payment of the 2012 Note (as defined in the Resolution), to the prompt payment of principal and interest on the bond, as the same become due. Such pledge shall constitute a second lien on the Exceptional Benefits Revenues subject to the principal and interest payments of the 2012 Note.

The District further covenants that it will set aside and pay into its Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the Net Revenues of the works for payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety to continue the debt service reserve account. Such required payments shall constitute a first charge upon all the Net Revenues of the sewage works of the District.

Prepayment of the bonds may be made to the extent and in the manner expressly permitted by the Resolution and the Schedule I of the bonds.

[The bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the date and amounts set forth below:

Year

Amount

*

*Final Maturity]

Each One Thousand Dollars (\$1,000) principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed shall be selected by lot by the Registrar. [If some bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the bonds for optional redemption before selecting the bonds by lot for the mandatory sinking fund redemption.]

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration records of the District as of the date which is forty-five (45) days prior to such redemption date not less than thirty (30) days prior to the date fixed for redemption unless the notice is waived by the registered owner of this bond. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the District. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the District may deposit in trust with its depository bank, an amount sufficient to pay such bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the District shall have no further obligation or liability in respect thereto.

This bond is transferable or exchangeable only upon the books of the District kept for that purpose at the principal corporate trust office of the 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 Registrar duly executed by the registered owner, or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to

the registered owner, as the case may be, in exchange therefor. The District, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This bond is subject to defeasance prior to redemption or payment as provided in the Resolution referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE RESOLUTION. The Resolution may be amended without the consent of the owners of the bonds as provided in the Resolution if the Board determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the bonds.

The District has not designated the bonds as qualified tax-exempt obligations under Section 265(b) of the Internal Revenue Code of 1986, as amended.

The bonds maturing in anyone year are issuable only in fully registered form in the denomination of \$1,000 or any integral multiple thereof.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ this bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the within bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

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

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.

SCHEDULE I

This Schedule is a supplement to and a part of the Resolution, adopted on June 18, 2012, by Board of District authorizing and approving the issuance of the bonds, and sale of the bonds to _____ (the "Registered Owner"). The following provisions are made a part of, incorporated by reference

in, and take priority over any inconsistent provisions of the Resolution or the bonds:

Prepayment Generally. The bonds are redeemable prior to maturity at the option of the District, with seven (7) days' notice, in whole or in part, in the order of maturity as determined by the District and by lot within a maturity, at face value, however, bonds that mature prior to January 1, 2016 shall not be redeemable by the District. Notwithstanding any contrary provision in the bonds, other than with respect to Permitted Prepayments (as defined below), if the principal of the bonds shall be paid to or collected by the Registered Owner before the regularly scheduled due date for payment of that principal, for any reason, including, without limitation, any voluntary or involuntary prepayment by the District, or payment following any acceleration after default, then District agrees to pay to the Registered Owner, simultaneously with the payment or collection, a Cost Indemnification Amount (as defined below) with respect to the amount of the payment or collection. The District recognizes that any prepayment of the bonds prior to its scheduled maturity, whether voluntary or involuntary or resulting from acceleration after a default by District, other than with respect to a Permitted Prepayment, may result in the Registered Owner incurring loss, including reinvestment loss, additional expense, and impairment of the Registered Owner's ability to meet commitments to third parties. District agrees that the Cost Indemnification Amount set forth below is a reasonable estimate of the damages Purchaser will incur as a result of any prepayment, and that District's agreement to pay such Cost Indemnification Amount is an essential inducement to Purchaser to make the loan evidenced by the bonds.

Permitted Prepayments without Cost Indemnification Amount. The District may make the following described prepayments (each a "Permitted Prepayment") without payment of a Cost Indemnification Amount: (i) full or partial prepayments made from the application of any insurance proceeds as a result of any casualty loss to collateral securing the bonds; (ii) any other prepayment as to which the Registered Owner has agreed in writing that it will not assess a Cost Indemnification Amount; or (iii) a single partial prepayment made during any Loan Year of up to 5.0% of the outstanding principal balance as of the beginning of any Loan Year. If the District's prepayment exceeds the 5.0% limitation in any Loan Year, then the entire amount of the prepayment during such Loan Year will not be treated as a Permitted Prepayment and a Cost Indemnification Amount will be due with respect to all principal prepaid during such Loan Year. "Loan Year" means successive annual periods commencing initially on the date of the bonds and ending on the due date of each scheduled payment thereafter.

Payment of Cost Indemnification Amount. With respect to any prepayment which is not a Permitted Prepayment, District may prepay all, but not less than all, of the outstanding principal of the bonds upon not less than seven (7) days' prior written notice to the Registered Owner (which shall specify the date of prepayment) if, simultaneously with the prepayment, District pays to the Registered Owner a Cost Indemnification Amount (as defined below).

“Cost Indemnification Amount” means the amount calculated by the Registered Owner, as of the third business day preceding the scheduled date of prepayment (“Calculation Date”), which is the sum of the present values of each Semi-Annual Payment Differential calculated for a period from the scheduled prepayment date to the earlier of (i) the next interest rate adjustment date on the bonds (if the bonds contemplates an interest rate adjustment), or (ii) the maturity of the bonds. “Semi-Annual Payment Differential” means for each semi-annual payment period or part thereof of the calculation period (treating all prepayments as being applied to future payments due in the inverse order of their maturity), the excess, if any, of:

A. The interest for such semi-annual payment period that would have been earned by the Registered Owner for such semi-annual payment period under the bonds if the prepayment had not been made and the bonds had been paid over its remaining term according to its original schedule (and treating the next interest rate adjustment date as a maturity date if the bonds contemplates an interest rate adjustment) if interest was accruing at the Initial Swap Rate (as hereinafter defined); over

B. The interest for such semi-annual payment period which would have been earned by the Registered Owner for such semi-annual payment period under the bonds if the prepayment had not been made and the bonds had been paid over its remaining term according to its original schedule (and treating the next interest rate adjustment date as a maturity date if the bonds contemplates an interest rate adjustment) if interest was accruing at the Calculation Date Swap Rate (as hereinafter defined).

In making present value calculations each Semi-Annual Payment Differential will be discounted to present value as of the Calculation Date using the Calculation Date Swap Rate as the discount rate. Further, (i) bonds that mature on or between January 1, 2013 and July 1, 2015 shall not be subject to optional redemption; (ii) bonds that mature on or between January 1, 2016 and July 1, 2020 shall incur a Semi-Annual Payment Differential not to exceed 3% of par; (iii) bonds that mature on or between January 1, 2021 and July 1, 2024 shall incur a Semi-Annual Payment Differential not to exceed 2% of par; (iv) bonds that mature on or between January 1, 2025 and July 1, 2026 shall incur a Semi-Annual Payment Differential not to exceed 1% of par; and (v) bonds that mature on January 1, 2027 or July 1, 2027 may be redeemed without incurring a premium or Semi-Annual Payment Differential for early redemption. For purposes of the foregoing calculation, the following terms will have the following meanings:

“Initial Swap Rate” means a rate equal to the weekly average (under the heading “*Week Ending*”) of interest rate swap rates set forth under the heading “Interest Rate Swaps” derived from the Statistical Release (as hereinafter defined) published and available immediately prior to the commencement of the fixed rate of interest then applicable to the bonds for the maturity (rounded to the nearest month) corresponding to the fixed rate interest period applicable to the bonds (i.e.

from inception of the then applicable interest rate until the earlier of maturity or the next rate adjustment). If no maturity exactly corresponds to such fixed rate period, the Initial Swap Rate shall be calculated by interpolating or extrapolating using the swap rates for the two (2) published maturities most closely corresponding to the fixed rate period. Such interpolation or extrapolation shall be on a straight-line basis.

“Calculation Date Swap Rate” means a rate equal to the weekly average (under the heading “*Week Ending*”) of interest rate swap rates set forth under the heading “Interest Rate Swaps” derived from the Statistical Release (as hereinafter defined) published and available immediately prior to the Calculation Date for the maturity (rounded to the nearest month) corresponding to the remaining fixed rate interest period applicable to the bonds (i.e from the Calculation Date until the earlier of maturity or the next rate adjustment). If no maturity exactly corresponds to such period, the Calculation Date Swap Rate shall be calculated by interpolating or extrapolating using the swap rates for the two (2) published maturities most closely corresponding to the remaining fixed rate period. Such interpolation or extrapolation shall be on a straight-line basis.

“Statistical Release” means the statistical release related to selected interest rates designated “H.15 (519)” or any successor publication that is published by the Federal Reserve Board and that reports weekly compilations of quotations for mid-market par swap rates.

If a current or historical Statistical Release is not available at the time of any determination of the Cost Indemnification Amount, then the Initial Swap Rate or Calculation Date Swap Rate will be determined by the Registered Owner from any other reasonably comparable source that the Registered Owner shall designate.

The Registered Owner’s calculation of the Cost Indemnification Amount shall, absent manifest error, be binding and conclusive on District and the Registered Owner. Any future agreement by the Registered Owner to accept any prepayment of the bonds other than in accordance with this Schedule I must be in writing and shall not affect the provisions of this Schedule I as to any future prepayments of the bonds. The District agrees that the Cost Indemnification Amount is a reasonable estimate of loss and not a penalty. The Cost Indemnification Amount is payable as liquidated damages for the loss of bargain to the Registered Owner, and its payment will not in any way reduce, affect or impair any other obligation of the District under the bonds. Under no circumstances will the District be entitled to any compensation from the Registered Owner or any rebate or reduction of amounts due under the bonds if the calculation of the Semi-Annual Payment Differential does not result in a positive number. If the Calculation Date Swap Rate is higher than the Initial Swap Rate, there will be no Semi-Annual Payment Differential and no Cost Indemnification Amount will due and payable in connection with a prepayment of the bonds.

Sec. 6. Authorization for Preparation, Sale and Award of the Refunding Bonds.

(a) The Financial Clerk is hereby authorized and directed to have the Refunding Bonds prepared, and the Chairman or Vice Chairman and the Financial Clerk are hereby authorized and directed to execute and attest the Refunding Bonds in the form and manner provided herein. The Financial Clerk is hereby authorized and directed to deliver the Refunding Bonds to the Purchaser thereof after sale made in accordance with the provisions of this resolution, provided that at the time of said delivery the Financial Clerk shall collect the full amount which the Purchaser has agreed to pay therefor, which shall not be less than 99.5% of the par value of said Refunding Bonds, plus accrued interest, if any, to the date of delivery.

(b) In connection with the payment and defeasance of the Refunded Bonds, the Financial Clerk is hereby authorized to appoint a financial institution to serve as escrow trustee ("Escrow Trustee") for the Refunded Bonds in accordance with the terms of an Escrow Agreement between the District and the Escrow Trustee (the "Escrow Agreement") or may pay to the trustee for the corresponding series of bonds issued by the Bond Bank, such amounts as shall be required to pay and defease the Refunded Bonds. If the Financial Clerk, with the advice of the District's financial advisors, determines that an Escrow Agreement shall be necessary to pay and defease the Refunded Bonds, the Financial Clerk shall cause to be prepared and submitted the substantially final form of Escrow Agreement for approval by the Board, and the Chairman or Vice Chairman and the Financial Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the District so long as its provisions are consistent with this resolution and the terms of the sale.

(c) The Refunding Bonds herein authorized, when fully paid for and delivered to the Purchaser, shall be the binding special revenue obligations of the District, payable out of the (i) Net Revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance), and (ii) Exceptional Benefits Revenues of the sewage works of the District, to be set aside into the Sinking Fund continued in Section 13. Gross revenues do not include Facility Utilization Fees or Interceptor Utilization Fees as defined in District Resolution No. 02-02, or "exceptional benefits assessments" as defined in the Act, or System Development Charges as defined in District Resolution 04-01, adopted May 17, 2004. The payments from Exceptional Benefits Revenues to the debt service of the Refunding Bonds shall constitute a second lien on the Exceptional Benefits Revenues subject

to the principal and interest payments of the 2012 Note. The proper officers of the District are hereby directed to sell the Refunding Bonds to the Purchaser, to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this resolution.

(d) The execution, by either the Chairman, Financial Clerk, or the District's financial advisor, of a subscription for United States Treasury Obligations-State and Local Government Series for investments of proceeds of the Refunding Bonds to be held under the Escrow Agreement in a manner consistent with this resolution is hereby approved.

(e) The District hereby authorizes a negotiated sale of the Refunding Bonds with the Purchaser, pursuant to the Act, and further authorizes that as a condition of the delivery of the Refunding Bonds to the Purchaser of the Refunding Bonds, that the Purchaser provide to the District an investment letter evidencing and certifying to the District that it is an "accredited investor" as the term is defined in paragraph (a) of Rule 501 under the Securities Act of 1933, as amended, and certifying such other provisions as required by the District and upon advice of Krieg DeVault LLP, as bond counsel to the District.

(f) In the event the financial advisor to the District certifies to the District that it would be economically advantageous for the District to obtain a municipal bond insurance policy for the Refunding Bonds, the District hereby authorizes the purchase of such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference between the present value cost of (a) the total debt service on the Refunding Bonds if issued without municipal bond insurance and (b) the total debt service on the Refunding Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. If such an insurance policy or debt service reserve surety (as described in Section 13) is purchased, the Chairman and the Financial Clerk are hereby authorized to execute and deliver all agreements with the provider of the policy and surety to the extent necessary to comply with terms of such insurance policy or surety and the commitment to issue each policy or surety. Such agreements shall be deemed a part of this resolution for all purposes and are hereby incorporated herein by reference.

Sec. 7. Refunding of the Refunded Bonds and Costs of Issuance. Concurrently with the delivery of the Refunding Bonds, the Financial Clerk shall acquire, with the proceeds of the Refunding Bonds and cash on hand, direct obligations of or obligations the principal and interest

on which are unconditionally guaranteed by, the United States of America (“Government Obligations”) to be used, together with certain cash from the proceeds of the Refunding Bonds and cash on hand as set forth in the Escrow Agreement, if applicable, to refund and legally defease the Refunded Bonds all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Financial Clerk shall deposit Government Obligations and certain cash with the Escrow Trustee under the Escrow Agreement or the trustee for the Bond Bank’s bonds, as applicable, in an amount sufficient to provide money for payment of the principal of and interest and redemption premium on the Refunded Bonds until the earliest date upon which the Refunded Bonds may be called for redemption.

Costs of issuance of the Refunding Bonds not otherwise paid shall be paid from the remaining proceeds by the Financial Clerk. When all the costs of issuance of the Refunding Bonds have been paid, the Financial Clerk shall then transfer any amount then remaining from the proceeds of the Refunding Bonds to the Sinking Fund as herein provided.

The Chairman or the Financial Clerk is authorized to obtain a verification report from H. J. Umbaugh & Associates, or such other financial advisor or accounting firm as shall be selected by the Chairman or the Financial Clerk, as to the sufficiency of the funds deposited under the Escrow Agreement to accomplish the refunding and defeasance of the Refunded Bonds.

Sec. 8. Accrued Interest. The accrued interest received at the time of delivery of the Refunding Bonds, if any, shall be deposited in the Sinking Fund continued in Section 13 and used to pay interest on the Refunding Bonds on the first interest payment date for the Refunding Bonds.

Sec. 9. Financial Records and Accounts. The District shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the sewage works and all disbursements made therefrom and all transactions relating to the utility. There shall be furnished to any owner of the Refunding Bonds, not more than thirty (30) days after receipt by the District, the audited financial statements of the works, prepared by the State Board of Accounts or any successor. Copies of all such statements and reports shall be kept on file in the office of the District.

Sec. 10. Pledge of Revenues. The interest on and the principal of the Refunding Bonds issued pursuant to the provisions of this resolution, and any bonds hereafter issued on a parity therewith, shall constitute a first charge on all the Net Revenues of the sewage works of the District, and a pledge of Exceptional Benefits Revenue of the District, which shall constitute a second lien of the Exceptional Benefits Revenue subject to the debt service payments on the 2012 Note as such becomes due and payable. Gross revenues do not include Facility Utilization Fees or Interceptor Utilization Fees as defined in District Resolution No. 02-02, or “exceptional benefits assessments” as defined in the Act, or System Development Charges as defined in District Resolution 04-01, adopted May 17, 2004.

Sec. 11. Revenue Fund. There is hereby created and continued a fund known as the Sewage Works Revenue Fund (“Revenue Fund”) into which all income and revenues of the sewage works (except for Facility Utilization Fees, Interceptor Utilization Fees, Exceptional Benefits Revenue or System Development Charges) shall be deposited upon receipt. The Facility Utilization Fees, the Interceptor Utilization Fees, Exceptional Benefits Revenue or System Development Charges may be deposited into separate accounts. Exceptional Benefits Revenue that exceeds the debt service payments on the 2012 Note shall be deposited into the Revenue Fund if there are insufficient funds in the Revenue Fund to make payments from the Revenue Fund as described herein. Out of said Revenue Fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the requirements of the Sinking Fund shall be met, and the cost of replacements, extensions, additions and improvements to the works shall be paid. All moneys deposited in the Revenue Fund may be invested in accordance with Indiana Code 5-13-9 and other applicable laws.

Sec. 12. Operation and Maintenance Fund. The Operation and Maintenance Fund is hereby continued. On the last day of each calendar month, a sufficient amount of moneys shall be transferred from the Revenue Fund to the Operation and Maintenance Fund so that the balance maintained in this Fund is sufficient to pay the expenses of operation, repair and maintenance of the works for the then next succeeding two (2) 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. Any moneys in said Fund may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the Refunded Bonds of the District’s sewage works.

Sec. 13. Sewage Works Sinking Fund. (a) There is hereby continued a special fund designated "Sewage Works Sinking Fund" (herein, "Sewage Works Sinking Fund" or "Sinking Fund") for the payment of the principal of and interest on all outstanding sewage works revenue bonds, and the payment of any fiscal agency charges in connection with the payment of bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the sewage works to meet the requirements of the Bond and Interest Account and the Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account, equal the principal of and interest on all of the then outstanding bonds of the sewage works to the final maturity and provide for payment of all fiscal agency charges. Moneys held within the Sinking Fund may be held on deposit with the Purchaser or as otherwise determined by the Financial Clerk of the District, with the advice of the District's financial advisor.

(b) Bond and Interest Account. Any moneys heretofore accumulated to pay principal and interest for the Refunded Bonds shall be credited to and become a part of the Trust Account under the Escrow Agreement and shall be applied on the first payments made from the Trust Account or transferred to the trustee for the Bond Bank's bonds for the same purpose. There shall be credited on the last day of each calendar month to the Bond and Interest Account an amount of the Net Revenues equal to at least one-sixth ($1/6$) of the interest on and at least one-sixth ($1/6$) of the principal of all then outstanding bonds payable on the then next succeeding principal and interest payment dates until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the same become payable. The District shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. There is hereby continued, within the Sinking Fund, the Reserve Account. On the date of delivery of the Refunding Bonds, funds remaining in the Reserve Account of the Refunded Bonds, funds on hand of the sewage works of the District,

Refunding Bond proceeds or a combination thereof may be deposited into the Reserve Account in an amount as determined necessary by the Chairman, with the advice of the financial advisor of the District. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) maximum annual debt service on the Refunding Bonds, (ii) 125% of average annual debt service on the Refunding Bonds or (iii) 10% of the proceeds of the Refunding Bonds ("Reserve Requirement"). If the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Refunding Bonds. The Reserve Requirement may be satisfied by a debt service reserve surety policy.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Refunding Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Refunding Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any interest earnings that accumulate in excess of the Reserve Requirement shall be considered as revenues of the sewage works.

Sec. 14. Sewage Works Improvement Fund. There is hereby continued a special fund designated the "Sewage Works Improvement Fund" ("Improvement Fund"). In the event all required payments in the Operation and Maintenance Fund and the Sinking Fund have been met to date, then any excess Net Revenues or Exceptional Benefit Revenues, if any, may be transferred or credited to the Improvement Fund and said Fund shall be used for improvements, replacements, additions, and extensions to the sewage works. Moneys in the Improvement Fund shall be transferred to the 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 Reserve Account of the Sinking Fund or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Sec. 15. Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the District. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the District and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this resolution.

Sec. 16. Defeasance of the Refunding Bonds. If, when the Refunding Bonds or a portion 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 Refunding Bonds or a portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Refunding Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury, the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Refunding Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues or Exceptional Benefits Revenue of the District's sewage works.

Sec. 17. Rate Covenant. The District covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the 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 the sewage works by or through any part of the sewerage system of the District, or that in any way uses or is served by the sewage works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the District) to provide for the proper operation and maintenance of the sewage works, to comply with and satisfy all covenants contained in this Resolution and to pay

all obligations of the sewage works and of the District with respect to the sewage works. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation and maintenance of the sewage works and the requirements of the Sinking Fund. Any rate reductions shall be approved by Purchaser.

Sec. 18. Additional Bond Provisions. The District reserves the right to authorize and issue additional bonds payable out of the Net Revenues of its sewage works ranking on a parity with the Refunding Bonds for the purpose of financing the cost of future additions, extensions and improvements to its sewage works, or to refund obligations or to issue additional obligations payable out of Exceptional Benefits Revenue that are subordinate to the 2012 Note and subject to the junior lien created on the Exceptional Benefits Revenue under this resolution, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this resolution, and the interest on and principal of all bonds payable from the Net Revenues or the Exceptional Benefits Revenue of the sewage works shall have been paid in accordance with their terms.

(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 Refunding Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds the sewer rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the outstanding bonds payable from the revenues of the sewage works, including 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 prepared by a certified public accountant employed by the District for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemptions for

the additional parity bonds, shall be payable semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

Sec. 19. Further Covenants of the District. For the purpose of further safeguarding the interests of the owners of the Refunding Bonds, it is hereby specifically provided as follows:

(a) So long as any of the Refunding Bonds are outstanding, the District shall at all times maintain the sewage works system in good condition, and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Refunding Bonds are outstanding, the District shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

As an alternative to maintaining such insurance, the District may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities.

All insurance or self-insurance proceeds shall be used either in replacing the property destroyed or damaged, or shall be deposited in the Sinking Fund.

(c) So long as any of the Refunding Bonds are outstanding, the District shall not mortgage, pledge or otherwise encumber the property and plant of its sewage works system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said utility.

(d) Except as otherwise specifically provided in Section 18 of this resolution, so long as any of the Refunding Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the system shall be authorized, issued or executed by the District, except such as shall be made junior and subordinate in all respects to the Refunding Bonds, unless all of the Refunding Bonds are redeemed or defeased coincidentally with the delivery of such additional bonds or other obligations.

(e) The provisions of this resolution shall constitute a contract by and between the District and the owners of the Refunding Bonds herein authorized, all the terms of which shall be

enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Refunding Bonds, this resolution shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the Refunding Bonds, nor shall the Board or any other body of the District adopt any law, ordinance or resolution in any way adversely affecting the rights of the bondholders so long as any of the Refunding Bonds, or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 20(a)-(f), this resolution may be amended, however, without the consent of bondowners, if the Board determines, in its sole discretion, that such amendment would not adversely affect the owners of the Refunding Bonds.

(f) The provisions of this resolution shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Refunding Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this resolution and of said governing Act. The provisions of this resolution shall also be construed to create a trust in the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of that Fund as in this resolution set forth. The owners of the Refunding Bonds shall have all the rights, remedies and privileges set forth under Indiana law in the event the District shall fail or refuse to fix and collect sufficient rates and charges, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Refunding Bonds.

(g) None of the provisions of this resolution shall be construed as requiring the expenditure of any funds of the District derived from any sources other than the proceeds of the Refunding Bonds and the operation of the sewage works system.

Sec. 20. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds issued pursuant to this resolution and then outstanding shall have the right from time to time, anything contained in this resolution to the contrary notwithstanding, to consent to and approve the adoption by the Board of the District of such resolution or resolutions supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding in any particular manner any of the terms or provisions

contained in this resolution, or in any supplemental resolution; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on, or any mandatory sinking fund redemption date for, any Refunding Bond issued pursuant to this resolution; or

(b) A reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues, Net Revenues or Exceptional Benefits Revenue of the sewage works ranking prior to the pledge thereof created by this resolution; or

(d) A preference or priority of any Refunding Bond or Refunding Bonds issued pursuant to this resolution over any other Refunding Bond or Refunding Bonds issued pursuant to the provisions of this resolution; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental resolution; or

(f) A reduction in the Reserve Requirement.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental resolution shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Financial Clerk of the District, no owner of any Refunding Bond issued pursuant to this resolution shall have any right to object to the adoption of such supplemental resolution or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board of the District from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this resolution shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution of the District and all owners of Refunding Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this resolution, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this resolution, the rights and obligations of the District and of the owners of the Refunding Bonds authorized by this resolution, and the terms

and provisions of the Refunding Bonds and this resolution, or any supplemental or amendatory resolution, may be modified or altered in any respect with the consent of the District and the consent of the owners of all the Refunding Bonds then outstanding.

Sec. 21. Tax Covenants. In order to preserve the exclusion of interest on the Refunding Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Refunding Bonds (“Code”) and as an inducement to the Purchaser of the Refunding Bonds, the District represents, covenants and agrees that:

(a) The sewage works is intended to be and will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the District or another state or local governmental unit will use more than 10% of the proceeds of the Refunding Bonds or property financed by the Refunding Bond proceeds other than as a member of the general public. No person or entity other than the District or another state or local governmental unit will own property financed by Refunding Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, management, service or incentive payment contract, an arrangement including take-or-pay or other type of output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Refunding Bonds. If the District enters into a management contract for all or a portion of the sewage works, the terms of the contract will comply with the Regulations and IRS Revenue Procedure 97-13, as amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations unless such use in the aggregate will not relate to more than 10% of the proceeds of the Refunding Bonds.

(b) No more than 10% of the principal of or interest on the Refunding Bonds is (under the terms of the Refunding Bonds, this resolution or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for private business use or payments in respect of such property, or to be derived from payments (whether or not to the District) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Refunding Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Refunding Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Refunding Bond proceeds.

(d) The District reasonably expects, as of the date hereof, that the Refunding Bonds will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Refunding Bonds.

(e) No more than 5% of the proceeds of the Refunding Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The District will not take any action nor fail to take any action with respect to the Refunding Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Refunding Bonds pursuant to Section 103 of the Code, nor will the District act in any other manner which would adversely affect such exclusion, and it will not make any investment or do any other act or thing during the period that the Refunding Bonds are outstanding which would cause the Refunding Bonds to be private activity bonds under the meaning of Section 141 of the Code.

(g) It shall be not an event of default under this resolution if the interest on any Refunding Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Refunding Bonds.

(h) The District represents that it will rebate all arbitrage profits to the United States of America in accordance with the Code.

(i) The District represents that the Refunding Bonds are not private activity bonds as defined in Section 141 of the Code.

(j) The District Refunding Bonds are not designated as qualified tax-exempt obligations for purposes of Section 265(b) of the Code and therefore, the Refunding Bonds did

not qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

(k) These covenants are based solely on current law in effect and in existence on the date of delivery of the Refunding Bonds.

Sec. 22. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this resolution, the covenants and authorizations contained in this resolution ("Tax Sections") which are designed to preserve the exclusion of interest on the Refunding Bonds from gross income under federal law ("Tax Exemption") need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Sec. 23. Additional Covenants of the District. The District hereby covenants to the Purchaser of the Refunding Bonds for so long as the Refunding Bonds remain outstanding that:

(a) the District shall maintain a Annual Cash Flow Coverage Ratio of not less than 1.25 to 1.00. The term Annual Cash Flow Coverage Ratio means a ratio where the numerator of which is the District's Net Income, but excluding extraordinary and non-cash income as determined by the Purchaser in its sole discretion, less dividends or withdrawals from capital, less Cash Capital Expenditures, plus the aggregate amounts deducted in determining Net Income in respect of interest, depreciation, depletion, and amortization expense, all for the then most recently ended fiscal year period, and the denominator of which is the District's Current Portion of Long Term Debt at the District's prior fiscal year-end plus the aggregate amount deducted in determining the Net Income in respect of interest expense for the then most recently ended fiscal year period. In the event the District maintains liquid assets of \$6,000,000 or greater for the then most recently ended fiscal year period, all Cash Capital Expenditures will be excluded from the ratio numerator when calculating the Annual Cash Flow Coverage Ratio. Current Portion of Long Term Debt means at any time, and with respect to any liabilities for borrowed money of the District, the portion of such liabilities for borrowed money which by its terms is due on demand or within one (1) year from such time. Cash Capital Expenditures means any expenditure made directly or indirectly for the purpose of acquiring or constructing fixed assets, real property or equipment which would be added as a debt to the fixed assets account of the District, less any amount which has been financed.

(b) the District shall provide the Purchaser of the Refunding Bonds a \$50,000 closing fee upon the issuance of the Refunding Bonds;

(c) the District shall provide to the Purchaser of the Refunding Bonds the biannual State Board of Accounts audit of the District within 30 days of receipt by the District;

(d) the District shall provide to the Purchaser of the Refunding Bonds the annual CPA prepared financial statements of the District within 45 days of the end of the calendar year;

(e) the District shall provide to the Purchaser of the Refunding Bonds the annual budget of the District by January 31 of each year;

(f) the District shall maintain with the Purchaser of the Refunding Bonds a debt service reserve depository account in an amount equal to one (1) year of principal and interest payments, but in no extent in excess of the limitations on the amount of the Reserve Account set forth in Section 13(c) hereof; and

(g) if the District achieves its Annual Cash Flow Coverage Ratio as of fiscal year end 2012, and maintains such covenant at all times thereafter, the District, at its option, may borrow funds from a third-party lender which may be granted a security interest and share on a pari passu basis in the collateral granted by the District to the Purchaser. Such collateral sharing will be evidenced by an inter-creditor agreement between the Purchaser and such third party lender which is in form and substance acceptable to the Purchaser. The provisions related to such debt service coverage ratio covenant, this District option and any inter-creditor agreement related to such option, shall be prepared by the Purchaser.

Sec. 24. Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith are hereby repealed; provided, however, that this resolution shall not be deemed as adversely affecting the rights of the owners of the Refunded Bonds.

Sec. 25. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this resolution.

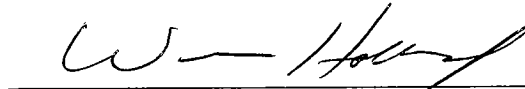
Sec. 26. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 18th day of June, 2012.

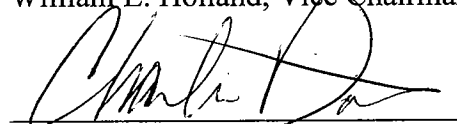
WEST CENTRAL CONSERVANCY DISTRICT
BOARD OF DIRECTORS



Paul M. Allen, Chairman

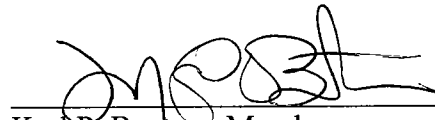


William E. Holland, Vice Chairman



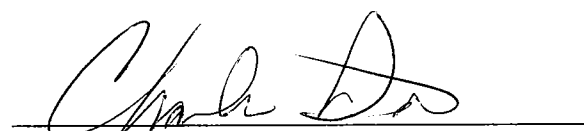
Charlie C. Dorton, Financial Clerk

W. James Webb, Secretary



Karl P. Buetow, Member

ATTEST:



Charlie C. Dorton, Financial Clerk