

RESOLUTION NO. 2021-0719-1

A Resolution of the Board of Directors of the West Central Conservancy District authorizing the issuance of the District's sewage works revenue bonds for the purpose of providing funds to pay the cost of certain improvements to the District's sewage works; currently refund the 2012 Bonds, currently refund the 2013 Bonds, fund a debt service reserve and pay issuance expenses; provide 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 revenue and refunding 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");

WHEREAS, the Board finds that certain improvements and extensions to said works, hereinafter described, are necessary; and that preliminary plans and cost estimates have been or will be prepared by engineers designated by the District for the construction of said improvements and extensions, as more fully set forth in Exhibit A attached hereto ("Project"), which plans and their specifications will be completed by the engineers, approved in final form by the Board and by all governmental authorities having jurisdiction, and open for inspection at the office of the District as required by law;

WHEREAS, the District has obtained engineer's estimates of the costs for the construction of the Project and will advertise and receive bids therefore, which bids will be subject to the District's obtaining funds to pay for the Project; and that on the basis of said estimates and construction bids, the estimated cost of the Project, including estimated incidental expenses is an amount not to exceed \$23,000,000;

WHEREAS, the Board further finds that there are now outstanding bonds of the District payable out of the Net Revenues (as hereinafter defined) designated as (i) the "West Central Conservancy District Sewage Works Refunding Revenue Bonds of 2012," originally issued in the aggregate principal amount of \$16,886,000, now outstanding in the principal amount of

\$7,636,000, and maturing semi-annually on January 1 and July 1 over a period ending July 1, 2027 (the "2012 Bonds"), and (ii) the "West Central Conservancy District Sewage Works Revenue Bonds of 2013," originally issued in the aggregate principal amount of \$14,600,000, now outstanding in the principal amount of \$14,190,000, and maturing semi-annually on January 1 and July 1 over a period ending July 1, 2035 (the "2013 Bonds", together with the 2012 Bonds, the "Prior Bonds"), which Prior Bonds constitute a first lien upon the Net Revenues of the sewage works of the District;

WHEREAS, the Board finds that it is advisable to issue its revenue and refunding bonds in an aggregate principal amount not to exceed \$46,000,000, and to use the proceeds, together with funds on hand, to apply to on costs of the Project, currently refund the Prior Bonds, fund a debt service reserve and pay issuance expenses;

WHEREAS, the Board hereby finds and authorizes the issuance of revenue and refunding bonds to be secured by the District's pledge of Net Revenues of the sewage works of the District; 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 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:

Section 1. Authorization of Project; Issuance of 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 and treatment services, shall proceed with the construction of additions and improvements to its sewage works in accordance with preliminary plans and cost estimates prepared by the engineers designated by the District, are by reference made a part of this resolution, incorporated herein by reference and open for inspection as required by law at the office of the District and will be completed by the

engineers designated by the District, approved in final form by the Board and by all governmental authorities having jurisdiction, and filed and open for inspection at the office of the District as required by law; that the cost of construction of the Project shall not exceed the aggregate principal sum of \$23,000,000, plus investment earnings on the Bond proceeds and cash on hand available and appropriated for the Project, without further authorization of the Board of the District. 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 ten or more series (but no more than fifty), its “Sewage Works Revenue and Refunding Bonds of 2021,” to be completed with the year and series in which the bonds are issued (“Bonds”) in an aggregate principal amount not to exceed \$46,000,000 for the purpose of procuring funds to be applied to on costs of the Project, currently refund the Prior Bonds, fund a debt service reserve, pay issuance expenses, including premiums for municipal bond insurance and a debt service reserve surety to the extent determined to be necessary and advisable by the financial advisor to the District, and all other costs related to the Project.

The Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) 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 earlier than January 1, 2022. The Bonds shall be sold at a price of not less than 99.0% 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 Bonds shall bear interest at a rate or rates not exceeding 5.0% per annum (the exact rate or rates to be determined by bidding) 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 earlier than January 1,

2022, over a period ending no later than July 1, 2042, and in such amounts which will achieve as level annual debt service as practicable with \$5,000 denominations and taking into account the annual debt service on the Prior Bonds.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities of January 1 and/or July 1, on dates as determined by the successful bidder, but in no event later than the last serial maturity date of the 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.

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

Section 2. Registrar and Paying Agent; Book Entry Provisions. The Chairman or Vice 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 Bonds or the Financial Clerk of the District may serve as the Registrar and Paying Agent for the Bonds (“Registrar” or “Paying Agent”). The Registrar is hereby charged with the responsibility of authenticating the 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 (as defined herein) established to pay the principal of and interest on the Bonds as fiscal agency charges.

The principal of the 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 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 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 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 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in 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 therefore. The costs of such transfer or exchange shall be borne by the District. The District, the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such 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 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 Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the 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 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 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 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 Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Bonds may be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. In such case, upon initial issuance, the ownership of such 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 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 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 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 Bonds except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the District to make payments of the principal of and premium, if any, and interest on the 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 Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such 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 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 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 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 Bonds and all notices with respect to such 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 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 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 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 Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the 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 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 Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said 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 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 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 Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the 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 Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the 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 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 Bonds until the principal shall be fully paid.

Section 3. Redemption of Bonds. The Bonds are redeemable at the option of the District on any date, but no earlier than five (5) years after the date of the issuance of the Bonds, on thirty (30) 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 plus accrued interest to the date fixed for redemption, together with a premium no greater than 2.0%, plus in each case accrued interest to the date of redemption. 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 Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the District, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchase for cancellation by the Paying Agent and theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by the operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each Five Thousand Dollars (\$5,000) 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 called 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.

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 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 Bonds called for redemption. The place of redemption shall 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 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 Bonds so called for redemption shall be surrendered for cancellation.

Section 4. Execution and Negotiability. Each of the 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 Bonds. In case any officer whose signature or facsimile signature appears on the Bonds shall cease to be such officer before the delivery of the 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 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 Bonds shall also be authenticated by the manual signature of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Section 5. Form of Bonds. The form and tenor of the 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 REVENUE AND REFUNDING BONDS OF 2021

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 AN 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 providing funds to pay the cost of the Project (as defined in the hereinafter defined Resolution), currently refund the Prior Bonds (as defined in the Resolution), fund a debt service reserve, pay issuance and to other 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 _____, 2021, entitled "Resolution No. 2021-_____. A Resolution of the Board of Directors of the West Central Conservancy District authorizing the issuance of the District's sewage works revenue bonds for the purpose of providing funds to pay the cost of certain improvements to the District's sewage works; currently refund the 2012 Bonds, currently refund the 2013 Bonds, fund a debt service reserve and pay issuance expenses; provide 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 revenue and refunding 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 14-33 (the "Act"), the proceeds of which bonds are to be applied to the costs of the Project, including the incidental expenses incurred in connection therewith, [including premiums for municipal bond insurance and a debt service reserve surety].

Pursuant to the provisions of the Act 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 of the sewage works for the District 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.

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, including the 2012 Bonds (as defined in the Resolution) with respect to the pledge of Net Revenues, 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 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 maintain 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.

The bonds of this issue maturing on _____, _____, and thereafter, are redeemable at the option of the District on _____, _____, or any date thereafter, on thirty (30) days notice, in whole or in part, in the order of maturity and by lot within maturity, at face value together with the following premiums:

____% of redeemed on _____, _____ or thereafter on or before _____, _____

____% of redeemed on _____, _____ or thereafter on or before _____, _____

0% of redeemed on _____, _____ or thereafter prior to maturity;

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

[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 Five Thousand Dollars (\$5,000) 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 therefore, 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 therefore. 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 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 The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.]

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 \$5,000 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.

Section 6. Authorization for Preparation, Official Statement, and Sale and Award of the Bonds.

(a) The Financial Clerk is hereby authorized and directed to have the Bonds prepared, and the Chairman or Vice Chairman and the Financial Clerk are hereby authorized and directed to execute and attest the Bonds in the form and manner provided herein. The Financial Clerk is hereby authorized and directed to deliver the Bonds to the respective purchasers 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 respective purchasers has agreed to pay therefore, which shall not be less than 99% of the par value of said Bonds, plus accrued interest, if any, to the date of delivery.

(b) Distribution of an Official Statement (preliminary and final) for the Bonds, prepared on behalf of the District, is hereby authorized and approved and the Chairman or Vice Chairman and the Financial Clerk are authorized and directed to execute the Official Statement on behalf of the District in a form consistent with this resolution. The Chairman, Vice Chairman, or Financial Clerk is hereby authorized to designate the preliminary Official Statement as “nearly final” for purposes of Rule 15c2-12 as promulgated by the Securities and Exchange Commission.

(c) The Bonds herein authorized, when fully paid for and delivered to their respective purchasers, shall be the binding special revenue obligations of the District and payable out of the Net Revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) 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” of the District as defined in the Act (“Exceptional Benefits Revenue”), or System Development Charges as defined in District Resolution 04-01, adopted May 17, 2004. The proper officers of the District are hereby directed to sell the Bonds as set forth in subsection (d) to purchasers, 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) Prior to the sale of the Bonds, the Financial Clerk shall cause to be published either (i) a notice of sale in *The Republican* and in the *Hendricks County ICON*, Hendricks County, Indiana, two (2) times, at least one (1) week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in *The Republican* and in the *Hendricks County ICON*, Hendricks County, Indiana, and in the *Court & Commercial Record Supplement to the Indianapolis Business Journal*, all in accordance with Indiana Code 5-1-11 and Indiana Code 5-3-1. A notice of sale may also be published one (1) time in the *Court & Commercial Record Supplement to the Indianapolis Business Journal*, and a summary notice may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Financial Clerk and counsel for the District deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that electronic bidding will be permitted and that the successful bidder for the Bonds will be required to provide the District a good faith deposit in the form of cash, a certified or cashier's check, or wire transfer in an amount equal to 1% of the principal amount of the Bonds described in the notice no later than 3:30 p.m. EST on the business day immediately following the award to guarantee performance on the part of the successful bidder. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the District and shall be considered as its liquidated damages on account of such default. Bidders for the Bonds will be required to name the rate or rates of interest which Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and such interest rate or rates shall be in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 99% of the face amount of the Bonds will be considered. The opinion of Taft Stettinius & Hollister LLP, bond counsel

of Indianapolis, Indiana, approving the legality of the Bonds, will be furnished to the purchasers at the expense of the District.

The Bonds shall be awarded by the Financial Clerk to the best bidder who has submitted its bid in accordance with the terms of this resolution, Indiana Code 5-1-11 and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds to their maturities and adding thereto the discount bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the District than the best bid received at the time of the advertised sale will be considered.

(f) In the event the municipal 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 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 Bonds if issued without municipal bond insurance and (b) the total debt service on the 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.

Section 7. Use of Proceeds and Costs of Issuance. (a) Project Costs. An amount from the proceeds from the sale of the Bonds sufficient to pay for costs of the Project or as otherwise provided herein shall be deposited in a bank or banks which are legally designated depositories for the funds of the District, in a special account or accounts to be designated as "West Central Conservancy District Sewage Works Construction Account" ("Construction

Account”). All funds deposited to the credit of the Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, as amended and supplemented. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project or as otherwise required by the Act or for the remaining expenses of issuance of the Bonds. The cost of all the legal, accounting, and other professional services, customarily incurred in the issuance of municipal bonds including the services of Taft Stettinius & Hollister LLP, counsel for the District and bond counsel, and Baker Tilly Municipal Advisors, LLC, as financial advisor, shall be considered as a part of the cost of the Project on account of which the Bonds are issued and shall be paid from the remaining proceeds by the Financial Clerk.

(b) Escrow Fund. There is hereby established a special fund of the District known as the “Escrow Fund” to be held by the Financial Clerk. There shall be deposited in the Escrow Fund the proceeds of the Bonds in an amount sufficient to currently refund the Prior Bonds. Proceeds of the Bonds in excess of the amount needed to pay costs as provided in Section 7(a) are hereby appropriated for paying the costs of the current refunding of the Prior Bonds and are hereby ordered deposited into the Escrow Fund. The Escrow Fund shall be maintained separate and apart from all other accounts of the District. Moneys in the Escrow Account shall be used to complete the refunding of the Prior Bonds. In the event that any moneys remain in the Escrow Fund upon completion of the current refunding of the Prior Bonds, the Financial Clerk shall deposit the remaining moneys into the Bond Fund. The District may appoint a trustee for the Escrow Account if deemed necessary by the Financial Clerk.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of the Sinking Fund, or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with Indiana Code 5-1-13, as amended and supplemented.

Section 8. Accrued Interest. The accrued interest received at the time of delivery of the Bonds, if any, and premium, if any, shall be deposited in the Sinking Fund continued in Section 13 to be credited to the Bond and Interest Account of the Sinking Fund.

Section 9. Financial Records and Accounts.

(a) 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. The District shall maintain on file the audited financial statements of the District prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Financial Clerk.

(b) The substantially final form of Continuing Disclosure Undertaking Agreement (“Disclosure Agreement”) for the Bonds before the meeting is hereby authorized and approved by the Board, and the Chairman or Vice Chairman and Financial Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the District. Notwithstanding any other provisions of this resolution, failure of the District to comply with the Disclosure Agreement shall not be considered an event of default under the Bonds or this resolution.

Section 10. Pledge of Revenues. The interest on and the principal of the Bonds issued pursuant to the provisions of this resolution, and any bonds hereafter issued on a parity therewith, shall constitute a first charge and lien on all of the Net Revenues of the sewage works of the District. Gross revenues do not include Facility Utilization Fees or Interceptor Utilization Fees as defined in District Resolution No. 02-02, or Exceptional Benefits Revenue as defined in the Act, or System Development Charges as defined in District Resolution 04-01, adopted May 17, 2004.

Section 11. Revenue Fund. The Sewage Works Revenue Fund (“Revenue Fund”) is hereby continued and 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 into the Revenue Fund upon receipt. The Facility

Utilization Fees, the Interceptor Utilization Fees, Exceptional Benefits Revenue or System Development Charges may be deposited into separate accounts. 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. ¶

Section 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 outstanding bonds of the District's sewage works.

Section 13. Sewage Works Sinking Fund.

(a) There is hereby continued a special fund designated "Sewage Works Sinking Fund" ("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, which are both 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 in a manner determined by the Financial Clerk of the District, with the advice of the District's financial advisor.

(b) Bond and Interest Account. 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. On the date of delivery of the Bonds, funds from the existing debt service reserve of the Prior Bonds, funds on hand of the sewage works of the District, 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 Bonds, (ii) 125% of average annual debt service on the Bonds or (iii) 10% of the proceeds of the 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 Bonds. The Reserve Requirement may be satisfied by a debt service reserve surety policy, and if the District acquires a debt service reserve surety to satisfy the Reserve Requirement, the Chairman or Vice Chairman and the Financial Clerk are hereby authorized to execute and deliver all agreements with the provider of the surety to the extent necessary to comply with such terms. Such agreement shall be deemed a part of this resolution for all purposes and is hereby incorporated herein by reference.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the 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 promptly 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. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Sewage Works Improvement Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest, and redemption premium, if any.

Section 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 excess Net 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.

Section 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.

Section 16. Defeasance of the Bonds. If, when the 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 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 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 Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the District's sewage works.

Section 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.

Section 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 Bonds for the purpose of financing the cost of future additions, extensions and improvements to its sewage works, or to refund obligations, 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 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 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.

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

(a) All contracts let by the District in connection with the construction of the Project shall be let pursuant to the laws of the State of Indiana and advertise as required thereunder, and

all contractors shall be required to furnish surety bonds in an amount equal to 100% of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers' liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) The Project shall be constructed under plans and specifications approved by a competent engineer designated by the District. All estimates for work done or material furnished shall first be checked by the engineer and approved by the District.

(c) So long as any of the 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.

(d) So long as any of the 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 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 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 Bonds, unless all of the 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 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 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 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 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 Bonds.

(f) The provisions of this resolution shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the 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 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 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 Bonds and the operation of the sewage works system.

Section 20. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section and Section 19(e), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the 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 Bond issued pursuant to this resolution; or

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

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

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

(e) A reduction in the aggregate principal amount of the 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 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 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 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 Bonds authorized by this resolution, and the terms and provisions of the 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 Bonds then outstanding.

Section 21. Tax Covenants. In order to preserve the exclusion of interest on the 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 Bonds (“Code”) and as an inducement to the purchasers of the 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 Bonds or property financed by the 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 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 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 Bonds.

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the 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 Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the 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 Bond proceeds.

(d) The District reasonably expects, as of the date hereof, that the 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 Bonds.

(e) No more than 5% of the proceeds of the 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 Bonds that would result in the loss of the exclusion from gross income for federal tax purposes

of interest on the Bonds pursuant to Section 103 of the Code, nor will the District act in any other manner which would adversely affect such exclusion. The District represents that the Bonds are not private activity bonds as defined in Section 141 of the Code and that it will not make any investment or do any other act or thing during the period that the Bonds are outstanding which would cause the Bonds to be private activity bonds.

(g) It shall be not an event of default under this resolution if the interest on any 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 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 Bonds are not designated as qualified tax-exempt obligations for purposes of Section 265(b) of the Code and therefore, the 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 Bonds.

(l) The District further declares its official intent pursuant to Treas. Reg. § 1.150-2 to enter into and make certain expenditures and to pay or to reimburse the payment of certain costs of the Project including, but not limited to legal and financial advising services, and other related costs, with proceeds of debt to be incurred by the District; and to issue or have issued on its behalf, debt not exceeding Twenty Three Million Dollars (\$23,000,000) in aggregate principal amount for purposes of reimbursing costs of the Project. The District reasonably expects to reimburse itself from proceeds of obligations issued by or on behalf of, the District for costs of the Project paid prior to the completion of the permanent financing as provided herein.

Section 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 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.

Section 23. Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith are hereby repealed; provided, however, that this resolution shall not be construed as modifying, amending or repealing the resolutions authorizing the Prior Bonds.

Section 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.

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

Adopted this 19 day of July, 2021.

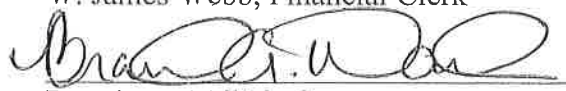
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