

**FILED**  
May 10, 2021  
INDIANA UTILITY  
REGULATORY COMMISSION

**Petitioner's Exhibit No. 1**

**CITY OF EVANSVILLE**

**INDIANA UTILITY REGULATORY COMMISSION**

**CAUSE NO. 45545**

**DIRECT TESTIMONY**

**OF**

**LANE T. YOUNG**

**SPONSORING ATTACHMENTS LTY-1 THROUGH LTY-3**

**City of Evansville**

**Cause No. 45545**

**Direct Testimony of Lane T. Young**

**I. INTRODUCTION**

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Lane T. Young. I am the Executive Director of the Evansville Water and  
3 Sewer Utility (“EWSU”), which is owned by the City of Evansville (“Evansville”), the  
4 Petitioner in this cause. My business address is 1 NW Martin Luther King Jr. Blvd.,  
5 Evansville, Indiana 47708.

6 **Q. Please describe your formal education and summarize your experience and current**  
7 **duties for Evansville.**

8 A. I hold a Bachelor of Arts in Economics from Indiana University and a Master of Arts, Adult  
9 Education and Student Development from Wheaton College. Prior to joining EWSU, I  
10 held various leadership roles in a number of organizations, including: Assistant Vice  
11 President Commercial Lending at Old National Bank; President and CEO of Evansville  
12 Titles; Executive Director of TeachBeyond Global, an organization which equips  
13 educators, schools and organizations for the purpose of transforming individuals and  
14 societies; and Campus Director at Columbia University for Christian Union, an  
15 organization that develops transformative student leaders on university campuses. I am  
16 also a veteran of the United States Army, having previously served as a Field Artillery  
17 Officer. I joined EWSU in August 2020 upon the retirement of the previous Director, Allen  
18 Mounts, who held that position since February 2012. As the Executive Director of EWSU,

1 I oversee all activities related to the Water Utility, Sewer Utility plus Trash & Recycling,  
2 and Street Sweeping contracts. My direct reports include the following: Director of Plants,  
3 Director of Collection and Distribution, Chief Financial Officer, Director of Program  
4 Management Office, Director of Engineering Services, Director of Administration (which  
5 includes Customer Service, Automated Meter Reading System, Billing Department and  
6 I.T. Services) and Director of Regulatory Compliance and Laboratory Operations.

7 **Q. Please describe Evansville’s water utility operations.**

8 A. The City owns and operates a full-service water utility. The system includes an intake  
9 structure and treatment plant constructed in the 1890s along the Ohio River. Evansville  
10 witness, Simon Breese, Vice President and National Technical Director, Water Treatment,  
11 Americas at AECOM, is testifying regarding the City’s plans for constructing a new water  
12 treatment plant. Also included is a distribution system of approximately 1,000 miles of  
13 water mains, approximately 600 miles of which is cast iron with an estimated average age  
14 of approximately 90 years. These water mains transmit and distribute potable water to  
15 more than 60,000 retail customers in the City of Evansville, Vanderburgh County, Indiana  
16 and the western edge of Newburgh, Indiana located in Warrick County, Indiana.  
17 Evansville witness, Michael Labitzke, Director of the Program Management Office for  
18 EWSU, is testifying regarding EWSU’s “Refresh Evansville” program, which is the long-  
19 term strategy the utility has developed to replace the City of Evansville’s aging water mains  
20 and supporting infrastructure. We also provide water for fire protection, serving more than  
21 6,000 hydrants, and our ten water storage facilities with a storage capacity of nearly 37

1 million gallons of water. We also sell treated water at wholesale to Gibson Water, Inc.,  
2 German Township Water District, and the Town of Elberfeld.

3 **Q. What is the purpose of your direct testimony in this Cause?**

4 A. The purpose of my direct testimony is to introduce Petitioner’s case-in-chief and the  
5 witnesses who will be testifying on behalf of Evansville. I will also sponsor the rate and  
6 bond resolutions that have been adopted by the Utility Service Board (the “Utility Board”)  
7 of the City of Evansville authorizing the rate increase and debt issuance for which  
8 Petitioner seeks approval in this Cause. The rate resolution is attached as Attachment LTY-  
9 1, the confirmatory resolution is attached as Attachment LTY-2 and the bond resolution is  
10 attached as Attachment LTY-3. I will also discuss the public outreach conducted by  
11 Petitioner prior to filing this case.

12 **Q. Please briefly introduce Petitioner’s other witnesses and the topics they will be**  
13 **covering.**

14 A. In addition to my testimony, Evansville is offering the testimony of the following  
15 Petitioner’s witnesses:

16 Mr. Douglas L. Baldessari, Certified Public Accountant and a partner in the firm of Baker  
17 Tilly Municipal Advisors, LLC, supports our revenue increase, future test year and  
18 financing request, and will discuss the details around our phased in approach to  
19 implementing rates consistent with Indiana Code § 8-1-2-42.7.

1 Mr. Michael L. Labitzke, Director of the Program Management Office for EWSU,  
2 discusses Evansville's Water Refresh Program, including the progress Petitioner has made  
3 since its last rate case and Petitioner's projections for the program in the future. Mr.  
4 Labitzke also testifies regarding Petitioner's decision to relocate the City Garage in order  
5 to accommodate the new water treatment plant.

6 Mr. Simon Breese, Vice President and National Technical Director, Water Treatment,  
7 Americas at AECOM, discusses Evansville's proposal to build a new Water Treatment  
8 Plant and sponsors the Water Treatment Plant Advanced Facility Plan (WTPAFP)  
9 supporting the project.

10 **Q. When were Evansville's existing rates approved?**

11 A. Evansville's existing rates were approved by the Commission's Order dated December 5,  
12 2018 in Cause No. 450731.

13 **Q. Please describe Attachment LTY-1, Attachment LTY-2 and Attachment LTY-3.**

14 A. Attachment LTY-1 is the rate resolution passed by the Utility Board on May 4, 2021  
15 authorizing EWSU to file a petition with the IURC to request approval of an across the  
16 board increase of 35.95% in five phases. Attachment LTY-2 is the confirmatory resolution  
17 passed by the Utility Board on May 4, 2021 confirming the resolution adopted by the Board  
18 on April 6, 2021, which approved various improvements to the water utility and  
19 recommended that such improvements be financed by the revenue bonds to be issued in

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<sup>1</sup> Order on Reconsideration dated December 19, 2018.

1 this Cause. Attachment LTY-3 is the bond resolution passed by the Utility Board on May  
2 4, 2021 authorizing EWSU to issue long-term debt in an estimated amount not to exceed  
3 \$260,000,000, subject to approval of the IURC.

4 **Q. Has Evansville communicated with customers and citizens about the proposed rate**  
5 **increase and bond issuance?**

6 A. Yes. A meeting with most of the Evansville City Council members was held April 6, 2021,  
7 where a tour of the current treatment plant took place and information regarding the  
8 proposed new plant, including rate and bond issuance associated with the project, was  
9 disseminated. The same type of event was conducted for local media. The City also held  
10 two meetings, with both in person and virtual access, with the Utility's top 25 customers  
11 based on usage. Finally, a public hearing was held at the beginning of our Utility Board  
12 meeting on April 20, 2021, where the project and proposed rate increases were presented  
13 and opportunity for public comment was given. In addition to this, various interviews with  
14 media were given where the information was discussed.

15 **Q. Did Evansville meet with the IURC and the Office of Utility Consumer Counselor**  
16 **(“OUCC”) prior to filing its case-in-chief?**

17 A. Yes. In its Order in Evansville's last rate case (Cause No. 45073), the Commission  
18 “strongly encourage[d] Evansville to consider ways to improve the presentation of its  
19 requested relief, including meeting with the OUCC and Commission staff prior to filing of  
20 its next rate case to discuss the type of information that should be included with its case-  
21 in-chief filing.” Order at p. 8. Per the Commission's advice, Evansville met with all IURC  
22 Commissioners and staff in a series of meetings on March 5, 2021, to discuss the proposals

1           that would be made in this case and to answer any questions. Evansville met with the  
2           OUCC on March 19, 2021 for the same purpose. Evansville also communicated with the  
3           OUCC prior to filing its case-in-chief to discuss a procedural schedule and other procedural  
4           matters in this Cause.

5   **Q.    Does this conclude your direct testimony in this cause?**

6   A.    Yes.

I, Lane T. Young, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

  
Lane T. Young

Date: 5/10/2021



**RESOLUTION 2021-04**

**RESOLUTION OF THE EVANSVILLE WATER AND SEWER UTILITY BOARD  
("UTILITY BOARD") CONCERNING WATER RATES AND CHARGES**

WHEREAS, on this 4th day of May, 2021, the Utility Board is authorizing the filing of a petition with the Indiana Utility Regulatory Commission ("IURC") seeking authority for a general water rate increase and bond issues; and

WHEREAS, such a petition will be filed in the near future and assigned an IURC Cause No.; and

WHEREAS, the outside expert utility rate consultants retained by the Utility Board, together with the Utility's management, have studied the need for a water rate increase and identified the extent of rate relief needed, and provided to the Utility Board prior to this meeting a recommendation for a series of five rate increases to be implemented upon approval by the IURC over the course of not less than five years, the aggregate amount of the proposed increase being 35.95%; and


WHEREAS, after full review, discussion and due consideration of the aforesaid matter presented, reported, and recommended, upon motion duly made and seconded, the following resolutions were adopted:


NOW, THEREFORE, BE IT RESOLVED that the Utility senior management is hereby authorized and directed to prepare and file with the IURC testimony and exhibits of internal as well as external witnesses in support of the Utility's petition for a water rate increase designed to establish a new schedule of rates and charges consistent with the attached proposal recommended for adoption by this Utility Board; and

RESOLVED FURTHER: The management of this Board and the Utility we oversee along with our legal counsel, be and they are hereby authorized to do all such acts and things, execute and deliver all needed or desired documents, and to incur and pay all costs and expenses as may be necessary in order to fully effectuate the purpose and intent of these resolutions; and all of the acts and doings of the management and legal counsel consistent with the purpose and intent of these resolutions shall be, and the same are hereby in all respects, ratified, approved and confirmed by the Board.

The foregoing is passed by the Board of Directors of the Department of Waterworks of the City of Evansville, Indiana this 4th day of May, 2021.


BOARD OF DIRECTORS OF  
THE DEPARTMENT OF WATERWORKS OF  
THE CITY OF EVANSVILLE, INDIANA

  
\_\_\_\_\_  
Steven Heidorn, President

  
\_\_\_\_\_  
Michael J. Weber, Vice President

\_\_\_\_\_  
Barry L. Russell, Member

  
\_\_\_\_\_  
Constance Robinson, Member

  
\_\_\_\_\_  
Chris Rutledge, Member

ATTEST:

  
\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2021-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE DEPARTMENT OF WATERWORKS  
OF THE CITY OF EVANSVILLE, INDIANA  
CONFIRMING A RESOLUTION ADOPTED ON APRIL 6, 2021,  
AUTHORIZING IMPROVEMENTS TO THE WATERWORKS  
AND THE ISSUANCE OF BONDS THEREFOR**

WHEREAS, the Board of Directors of the Department of Waterworks of the City of Evansville, Indiana (the "Board") did on April 6, 2021, adopt a resolution (the "Declaratory Resolution") approving various improvements to the waterworks (the "Improvements") and recommending and proposing that the Improvements be financed by the issuance of revenue bonds in an amount not to exceed \$260,000,000 pursuant to Indiana Code 8-1.5-4-1 *et seq.*; and

WHEREAS, the Board is authorized under Indiana Code 8-1.5-4-1 *et seq.* to cause revenue bonds to be issued for such purposes; and

WHEREAS, as required by statute, this Board has conducted a public hearing on April 20, 2021 to receive and hear remonstrances from persons interested in or affected by these proceedings.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DEPARTMENT OF WATERWORKS OF THE CITY OF EVANSVILLE, INDIANA, RESOLVES AS FOLLOWS:

Section 1. The Improvements are determined to be of public utility and benefit, and it is necessary for the protection of the public health and welfare of the inhabitants of the City of Evansville Waterworks District (the "District") and the safeguarding of the property within the District to proceed with the Improvements.

Section 2. The Declaratory Resolution adopted by this Board on April 6, 2021, is in all things approved, ratified and confirmed.

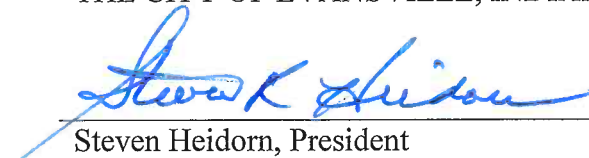
Section 3. The Board shall, pursuant to the provisions of Indiana Code 8-1.5-4-1 *et seq.*, cause to be issued as soon as can be done bonds to provide funds for the purposes described above, such bonds not to exceed \$260,000,000 in aggregate principal amount.

Section 4. This Resolution shall be in full force and effect upon its passage.

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Passed and adopted this 4<sup>th</sup> day of May, 2021.

BOARD OF DIRECTORS OF  
THE DEPARTMENT OF WATERWORKS OF  
THE CITY OF EVANSVILLE, INDIANA

  
\_\_\_\_\_  
Steven Heidorn, President

  
\_\_\_\_\_  
Michael J. Weber, Vice President

\_\_\_\_\_  
Barry L. Russell, Member

  
\_\_\_\_\_  
Constance Robinson, Member

  
\_\_\_\_\_  
Chris Rutledge, Member

ATTEST:

  
\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2021-06**

**BOND RESOLUTION OF THE BOARD OF DIRECTORS OF THE DEPARTMENT OF WATERWORKS OF THE CITY OF EVANSVILLE, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS OF THE WATERWORKS DISTRICT OF THE CITY OF EVANSVILLE TO PROVIDE FUNDS FOR WATER TREATMENT PLANT IMPROVEMENTS, DISTRIBUTION SYSTEM IMPROVEMENTS AND VARIOUS OTHER WATERWORKS IMPROVEMENTS, TOGETHER WITH INCIDENTAL EXPENSES, INCLUDING COSTS OF ISSUANCE OF THE BONDS**

WHEREAS, the City of Evansville, Indiana (the "City"), has heretofore constructed and now owns and operates a municipal waterworks utility system (the "Waterworks") by and through the Board of Directors (the "Board") of the Department of Waterworks (the "Department") of the City, the governing body of the Waterworks District of the City (the "District"), pursuant to Indiana Code 8-1.5-4, as amended, and other applicable laws (collectively, the "Act"); and

WHEREAS, on April 6, 2021, the Board adopted a declaratory resolution declaring that (i) it had determined that it is necessary to rebuild, repair, extend and improve the waterworks, plant systems and equipment and to acquire lands, construct, erect, or acquire other plants, reservoirs, systems and other structures and equipment appurtenant to them, more specifically described as water treatment plant improvements, distribution system improvements and various other waterworks improvements (referred to herein as the "Project"), and (ii) it is of public utility and benefit and it is necessary for the protection of the public health and welfare of the inhabitants of the District and the safeguarding of the property within the District to proceed with the Project and adopted all necessary plans, maps, specifications, drawings, details and estimates relating to the Project; and

WHEREAS, on May 4, 2021, after notice and a public hearing held on April 20, 2021 in accordance with the Act and Indiana Code 5-3-1, the Board confirmed the declaratory resolution by the adoption of a confirmatory resolution; and

WHEREAS, the Board has considered the amount of revenues to be derived from the operation of the Waterworks above the amount or revenues to pay the cost of operation, repair and maintenance of the Waterworks; and

WHEREAS, the Board has, or shall have, prior to the issuance of the below defined Bonds, determined to set rates and charges to provide sufficient Net Revenues (herein defined as the gross revenues of the Waterworks, inclusive of System Development Charges (as hereinafter defined), remaining after payment of reasonable expenses of operation, repair and maintenance and excluding transfers for payment in lieu of property taxes ) to pay debt service on the Bonds and the previously issued bonds, subject to receipt of a final order approving such rates and charges from the Indiana Utility Regulatory Commission; and

WHEREAS, pursuant to Resolution No. 2016-05, adopted by the Board on March 15, 2016 (the "2016 Resolution"), the District has heretofore issued its Waterworks District Revenue Bonds, Series 2016A (the "2016A Bonds"), payable from the Net Revenues of the Waterworks, which 2016A Bonds are outstanding as of the date hereof in the aggregate principal amount of \$34,860,000; and

WHEREAS, pursuant to the 2016 Resolution, the District has heretofore issued its Waterworks District Refunding Revenue Bonds, Series 2016B (the "2016B Bonds") (the 2016A

Bonds and the 2016B Bonds, collectively, the “Pre-2017 Bonds”), payable from the Net Revenues of the Waterworks, which 2016B Bonds are outstanding as of the date hereof in the aggregate principal amount of \$26,775,000; and

WHEREAS, pursuant to Resolution No. 2018-11, adopted by the Board on October 16, 2018 (the “2018 Resolution”), the District has heretofore issued its Waterworks District Revenue Bonds, Series 2018A-1 and 2018A-2 (collectively, the “2018A Bonds”), payable from the Net Revenues of the Waterworks, to the Indiana Finance Authority (the “Authority”) as part of its drinking water loan program established and existing pursuant to Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4 and Indiana Code 5-1.2-10 (the “SRF Program”), which 2018A Bonds are outstanding as of the date hereof in the aggregate principal amount of \$74,421,697; and

WHEREAS, pursuant to the 2018 Resolution, the District has heretofore issued its Waterworks District Revenue Bonds, Series 2019 (the “2019 Bonds”), payable from the Net Revenues of the Waterworks, which 2019 Bonds are outstanding as of the date hereof in the aggregate principal amount of \$38,380,000; and

WHEREAS, pursuant to Resolution No. 2019-04, adopted by the Board on November 26, 2019 (the “2020 Resolution”), the District has heretofore issued its Taxable Waterworks District Refunding Revenue Bonds, Series 2020 (the “2020 Bonds”), payable from the Net Revenues of the Waterworks, which 2020 Bonds are outstanding as of the date hereof in the aggregate principal amount of \$30,425,000; and

WHEREAS, pursuant to Resolution No. 2021-01, adopted by the Board on January 12, 2021 (the “2021 Resolution”) (the 2016 Resolution, the 2018 Resolution, the 2020 Resolution and the 2021 Resolution, collectively, the “Prior Resolutions”), the District has heretofore issued its Taxable Waterworks District Refunding Revenue Bonds, Series 2021 (the “2021 Bonds”) (the 2016A Bonds, the 2016B Bonds, the 2018A Bonds, the 2019 Bonds, the 2020 Bonds and the 2021 Bonds, collectively, the “Prior Bonds”), payable from the Net Revenues of the Waterworks, which 2021 Bonds are outstanding as of the date hereof in the aggregate principal amount of \$24,650,000; and

WHEREAS, pursuant to the Prior Resolutions, the District reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of the Waterworks, ranking as to such Net Revenues on parity with the Prior Bonds, to finance improvements to the Waterworks so long as certain terms and conditions are met, which terms and conditions the Board finds can be met; and

WHEREAS, the Board has determined that in order to finance the cost of the Project, there exists a necessity for issuing and selling bonds payable from the Net Revenues for the purpose of financing the Project, together with expenses incidental thereto, including the costs of issuance of such bonds and bond anticipation notes (the “BANs”); and

WHEREAS, the Board hereby finds that to provide funds necessary to pay for the costs of the Project, it will be necessary for the District to issue waterworks district revenue bonds, in one or more series, in an amount not to exceed Two Hundred Sixty Million Dollars (\$260,000,000) and BANs in an amount not to exceed Two Hundred Sixty Million Dollars (\$260,000,000); and

WHEREAS, the District may enter into a Financial Assistance Agreement with the Authority as part of its SRF Program pertaining to all or a portion of the Project and the financing of the same (“Financial Assistance Agreement”) if any bonds are sold to the Authority as part of its SRF Program; and

WHEREAS, the District may accept other forms of financial assistance, as and if available, from the SRF Program; and

WHEREAS, the Board now finds that all conditions precedent to the adoption of a resolution authorizing the issuance of the Bonds to provide the necessary funds to be applied to the cost of the Project, together with the expenses incidental thereto, including the costs of issuance of the Bonds, have been complied with in accordance with the provisions of the Act; and

WHEREAS, the Board consequently seeks to authorize the issuance of the Bonds and the BANs to finance the cost of the Project pursuant to the Act and the sale of the Bonds to the purchaser or underwriter thereof, pursuant to the provisions of the Act, subject to and dependent upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEPARTMENT OF WATERWORKS OF THE CITY OF EVANSVILLE, INDIANA, AS FOLLOWS:

Section 1. Authorization and Terms of Bonds and BANs.

In accordance with the Act and for the purpose of providing funds to finance the cost of the Project, together with the expenses incidental thereto, including the costs of issuance of bonds for the Project, and refunding the BANs, the City, acting for and on behalf of the District, shall issue bonds, in one or more series, to be designated as the "City of Evansville, Indiana, Waterworks District Revenue Bonds, Series \_\_\_\_" (with the blank to be completed with the year in which issued and the appropriate series designation, if any) (the "Bonds") in an original aggregate principal amount not to exceed Two Hundred Sixty Million Dollars (\$260,000,000), which amount does not exceed the cost, as estimated by the Board, of the Project, together with costs associated therewith, including without limitation the costs of issuance of the Bonds. As to the pledge of Net Revenues of the Waterworks (including System Development Charges) to the payment of the principal thereof and interest thereon, each series of Bonds shall rank on parity with the Prior Bonds and any other series of Bonds issued under this Resolution. For purposes of this Resolution, "System Development Charges" shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this Resolution.

The Controller of the City (the "Fiscal Officer") is hereby authorized and directed to have prepared and to issue and sell the Bonds, which shall be issued in the name of the City, for and on behalf of the District.

Each series of Bonds shall be in multiples of One Dollar (\$1) if sold to the Authority as part of its SRF Program, or shall be issued in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof (or such higher minimum denomination as the Fiscal Officer shall determine prior to the sale of the Bonds), numbered consecutively from R-1 upward, and dated the date of delivery. Each series of Bonds shall bear interest at a rate or rates not exceeding five percent (5.0%) per annum (the exact rate or rates to be determined by bidding or through negotiation), and interest shall be payable semiannually on January 1 and July 1 in each year, beginning not sooner than January 1, 2022, or such later date as certified by the Fiscal Officer. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. The Bonds shall mature annually on January 1 of each year through January 1, 2038, and semiannually on January 1 and July 1 thereafter, beginning not sooner than January 1, 2022, and as set forth in the Financial Assistance Agreement as to any series of Bonds sold to the

Authority as part of its SRF Program. Each series of Bonds shall mature not later than January 1, 2060, and in such amounts as will (i) achieve as level debt service as practicable, taking into account the debt service requirements of the Prior Bonds and all other series of Bonds issued under this Resolution or (ii) if the Bonds are sold to the Authority as part of its SRF Program, allow the City to meet the coverage and/or amortization requirements of the SRF Program. If the Bonds are sold to the Authority as part of its SRF Program, such debt service schedule shall be finalized and set forth in the Financial Assistance Agreement.

At the option of the successful bidder (or purchaser in a negotiated sale) for the Bonds, all or a portion of the Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities on January 1 (or, after January 1, 2038, January 1 or July 1) in such years as determined by the successful bidder (or purchaser in a negotiated sale).

In the event that the successful bidder (or purchaser in a negotiated sale) opts to aggregate certain Bonds into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on January 1 (or, after January 1, 2038, January 1 or July 1) of each year and in the principal amount corresponding to and consistent with the maturity schedule for the Bonds set forth in the Purchase Agreement (as hereinafter defined) as to any series of Bonds sold through negotiation or the notice of intent to sell bonds for any series of Bonds sold at a competitive bond sale.

The Registrar and Paying Agent (as hereinafter defined) shall credit against the current mandatory sinking fund requirement for a Term Bond of a particular maturity, any Bonds of such maturity delivered to the Registrar and Paying Agent for cancellation or purchased for cancellation by the Registrar and Paying Agent and canceled by the Registrar and Paying Agent and not theretofore applied as a credit against any mandatory sinking fund requirement. Each Bond so delivered or purchased shall be credited by the Registrar and Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in order of mandatory sinking fund redemption (or final maturity) dates determined by the District, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly; provided, however, that the Registrar and Paying Agent shall credit Bonds against the mandatory sinking fund requirements only to the extent such Bonds are received on or before 45 days preceding the applicable mandatory sinking fund redemption date.

The Registrar shall determine by lot (treating each minimum authorized denomination of each Bond as a separate Bond for such purpose) the Bonds within a Term Bond of a particular maturity to be redeemed pursuant to the mandatory sinking fund redemption requirements on January 1 (or, after January 1, 2038, January 1 or July 1) of each year.

Notice of any such mandatory sinking fund redemption shall be given in the same manner as notice of optional redemption is required to be given pursuant to this Resolution. If 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 the event any of the Bonds are issued as Term Bonds, the form of the Bond set forth in this Resolution shall be modified accordingly. Any reference to payment of principal on the Bonds



shall include payment of scheduled mandatory sinking fund redemption payments described in this Section 1.

The Fiscal Officer, following consultation with bond counsel for the Bonds, will also determine whether any series of the Bonds (or BANs) will be issued as bonds (or bond anticipation notes) the interest on which is included in the gross income of the owners thereof for federal income tax purposes. In such event, the form of bond set forth in this Resolution shall be appropriately revised to reflect such taxable status, and the provisions of this Resolution that are designed to preserve the Tax Exemption shall not apply to such series of Bonds or BANs. If any such Bonds are issued on a taxable basis, the designated name shall include the term "taxable."

In anticipation of the issuance of the Bonds, the City may elect to issue its bond anticipation notes (the "BANs") in one or more series, pursuant to a Bond Anticipation Note Purchase Agreement (the "BAN Purchase Agreement"), to be entered into between the City and either The Evansville Local Public Improvement Bond Bank or a financial institution selected by the Board, as determined by the Fiscal Officer prior to the sale of such series of BANs. The Board hereby authorizes the issuance and execution of the BAN or BANs in an aggregate principal amount not to exceed Two Hundred Sixty Million Dollars (\$260,000,000), in lieu of initially issuing Bonds, to provide interim financing for the Project until permanent financing becomes available. The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale hereunder of the Bonds. The interest on the BANs shall be payable either from the Net Revenues of the Waterworks, subject to the prior lien thereon of the Prior Bonds, or from proceeds from the issuance and sale hereunder of the Bonds. The Mayor of the City (the "Mayor") and the Fiscal Officer are hereby authorized and directed to execute a BAN Purchase Agreement in such form or substance as they shall approve acting upon the advice of counsel. The BANs will mature not later than three years after their issuance, shall bear interest at a rate not exceeding four percent (4.0%) per annum and may be sold at a discount not exceeding one percent (1.0%). The BANs may be made redeemable at the option of the District, in whole or in part, on dates and with premiums, if any, and subject to any other terms as determined by the Fiscal Officer with the advice of the municipal advisor, prior to the sale of the BANs. In the case of prepayment, the principal and accrued interest due on the BANs shall be paid only from proceeds of the Bonds, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor; provided, however, that such other funds are not pledged to the payment of the BANs. The Mayor and the Fiscal Officer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith. Unless otherwise indicated by the context, references herein to the Bonds shall also apply to the BANs.

Notwithstanding any other provision of this Resolution, if the BANs are sold to a purchaser that so agrees, the District may receive payment for the BANs in installments, and principal shall not be payable and interest shall not accrue on the BANs until such principal amount has been advanced pursuant to requests made by the District to such purchaser. In the event that the total principal amount of the BANs sold to such purchaser is not advanced to the District, the principal amount of the BANs shall be reduced accordingly.

Notwithstanding anything in this Resolution to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term "taxable."

Notwithstanding anything contained herein, the District may accept any other forms of financial assistance, as and if available, from the SRF Program (including without limitation: (i) any forgivable loans, grants or other assistance whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto; and (ii) one or more series or combination of series of Bonds and/or BANs). If required by the SRF Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of each series of Bonds and the BANs of each series of BANs issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

Section 2. Optional Redemption of Bonds. For any series of Bonds to be sold at a competitive bond sale, such Bonds may be made subject to redemption prior to maturity at the option of the District on the dates determined by the Fiscal Officer in a written certificate prior to the sale of the Bonds, based upon the advice of the municipal advisor, in whole or in part, upon 30 days' prior notice, in amounts and maturities selected by the District, and by lot within a maturity, at face value, plus in any case accrued interest to the date of redemption.

For any series of Bonds to be sold at a negotiated sale, such Bonds may be made subject to redemption prior to maturity at the option of the District on the dates determined by the Fiscal Officer in a written certificate prior to the sale of the Bonds, based upon the advice of the municipal advisor, in whole or in part, upon 30 days' prior notice, in amounts and maturities selected by the District, and by lot within a maturity, at face value, plus in any case accrued interest to the date of redemption.

For any series of Bonds sold to the Authority as part of its SRF Program, such Bonds are redeemable at the option of the District, but no sooner than ten (10) years after their date of delivery, and thereafter on any date, on sixty (60) days' notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium no greater than two percent (2%), plus accrued interest to the date fixed for redemption; provided, however, if the Bonds are sold to the SRF Program and registered in the name of the Authority, such Bonds shall not be redeemable at the option of the District unless and until consented to by the Authority. The exact redemption dates and premiums shall be established by the Fiscal Officer, with the advice of the municipal advisor, prior to the sale of the Bonds.

Notice of redemption shall be mailed by first-class mail, to the address of each registered owner of a Bond to be redeemed as shown on the Registration Record, not less than sixty (60) days prior to the date fixed for redemption of Bonds sold to the Authority as part of its SRF Program, or for Bonds sold to any other purchaser not more than 60 days and not less than 30 days prior to the date fixed for redemption except to the extent that such redemption notice is waived by owners of Bonds redeemed; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of any proceedings for the redemption of any other Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers (if any) 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, and thereafter, such Bonds shall no longer be protected by this Resolution and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered bonds of such series shall be issued for the unredeemed portion of any Bond without charge to the holder thereof.

No later than the date fixed for redemption, funds shall be deposited with the Paying Agent or another paying agent to pay, and such agent is hereby authorized and directed to apply such funds to the payment of, the Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date. No payment shall be made upon any Bond or portion thereof called for redemption until such Bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Resolution with respect to any mutilated, lost, stolen or destroyed Bond.

Section 3. Pledge of Net Revenues. The City, on behalf of the District and acting through the Board, irrevocably pledges the Net Revenues to the prompt payment of the principal of and interest on the Bonds, on parity with the Prior Bonds, to the extent necessary for such purpose and covenants that it will fix, maintain and collect such rates and charges for services rendered by the Waterworks as are sufficient for the payment of the proper and reasonable expenses of operation, repair and maintenance of the Waterworks and for the payment of sums required to be paid into the Bond Fund (as hereinafter defined) under the provisions of the Act and this Resolution.

*The Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana, but are the obligations and indebtedness of the District, as a special taxing district, and the Bonds, together with the interest thereon, shall be payable solely out of the Net Revenues.*

If any Bonds are sold to the Authority as part of its SRF Program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority is the owner of the Bonds, such Bonds shall be presented for payment as directed by the Authority.

If wire transfer payment is not required, and for any Bonds not sold to the Authority, 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 of the 15<sup>th</sup> day of the month preceding the interest payment date (the "Record Date") at the addresses as they appear on the registration and transfer books of the District kept for that purpose by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent in writing by such registered owner. All principal payments and premium payments, if any, on the Bonds shall be made upon surrender thereof at the principal office of the Paying Agent, in any United States of America coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such Bonds are authenticated after the Record Date for an interest payment date and on or before such interest payment date, in which

case they shall bear interest from such interest payment date, or unless authenticated on or before the Record Date for the first interest payment date, in which case they shall bear interest from the original date of such series, until the principal shall be fully paid.

Section 4. Transfer and Exchange of Bonds. Each Bond shall be transferable or exchangeable only upon the Registration Record, by the registered owner thereof in writing, or by the registered owner's 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 such attorney, and thereupon a new fully registered Bond or Bonds of the same series in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the names 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 except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Registrar shall not be obligated to make any exchange or transfer of any Bond (i) during the 15 days immediately preceding an interest payment date, or (ii) after the mailing of any notice calling such Bond for redemption. The District and the Registrar and Paying Agent may treat and consider the persons in whose names such Bonds are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute on behalf of the District and the Registrar may authenticate a new bond of like date, series, maturity and denomination as that mutilated, lost, stolen or destroyed, which new bond shall be marked in a manner to distinguish it from the bond for which it was issued, provided that, in the case of any mutilated bond, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Fiscal Officer and the Registrar, together with indemnity satisfactory to them. In the event any such bond shall have matured, instead of issuing a duplicate bond, the District and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The District and the Registrar may charge the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the District, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Resolution, equally and proportionately with any and all other Bonds issued hereunder.

Section 5. Registrar and Paying Agent. The Fiscal Officer is hereby authorized to serve as, or to appoint a qualified financial institution to serve as, Registrar and Paying Agent for the Bonds (the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds, and shall keep and maintain the Registration Record at its office. The Fiscal Officer is hereby authorized to enter into such agreements or understandings with any such institution as will (a) enable the institution to perform the services required of a Registrar and Paying Agent and (b) establish a trust arrangement for the Bond Fund, the Reserve Fund and the Construction Account in the form of trust agreement as approved by the Fiscal Officer, consistent with the terms and provisions of this resolution. The Fiscal Officer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees

may be paid from the Bond Fund established to pay the principal of and interest on the Bonds as fiscal agency charges.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving 30 days' written notice 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 30 days or upon the earlier appointment of a successor Registrar and Paying Agent by the District. Such notice to the District may be served personally or sent by first-class or 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 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 Record. Any predecessor Registrar and Paying Agent shall deliver all the Bonds, cash and investments related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent.

Section 6. Execution and Negotiability. The Bonds shall be signed in the name of the City on behalf of the District by the manual or facsimile signature of the Mayor, countersigned by the Fiscal Officer and attested by the manual or facsimile signature of the Clerk of the City, who also shall affix the seal of the City manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears thereon shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

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.

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.

Section 7. Authorization for Book-Entry System. The Bonds of any series may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the Fiscal Officer from time to time (the "Clearing Agency"), without physical distribution of Bonds to the purchasers. Notwithstanding anything else contained in this Resolution to the contrary, the following provisions of this Section 7 apply in such event.

One definitive Bond of each series and maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The District, the Fiscal Officer and the Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds of a series are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon the Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond is so registered shall be, and the District and the Registrar and Paying

Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Resolution, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such Bond, the receiving of notice and the giving of consent; (3) neither the District nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond, the receiving of notice or the giving of consent; (4) the Clearing Agency is not required to present any Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption; and (5) payment of the principal of and interest on any Bond shall be made by wire transfer in same day funds.

If either the District receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a clearing agency for the Bonds, or the District elects to discontinue its use of such Clearing Agency as the Clearing Agency for the Bonds, then the District and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as the Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Resolution. Any expenses of such discontinuance and transfer shall be paid by the District.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of the Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds as the bondholders, and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Resolution.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Fiscal Officer, and the Registrar are each individually authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Resolution, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures.

Section 8. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery:

FORM OF REGISTERED BOND

UNITED STATES OF AMERICA  
STATE OF INDIANA, COUNTY OF VANDERBURGH  
CITY OF EVANSVILLE, INDIANA,  
WATERWORKS DISTRICT REVENUE BOND, SERIES \_\_\_\_\_

No. 20\_\_R-

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>[CUSIP]</u>
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Registered Owner:

Principal Amount:

The City of Evansville (the "City"), in Vanderburgh County, State of Indiana, for and on behalf of the Waterworks District of the City (the "District"), the boundaries of which are coterminous with those of Vanderburgh County, acknowledges itself indebted, and for value received hereby promises to pay, but only from the sources and in the manner herein provided, to the Registered Owner specified above, or registered assigns, upon surrender hereof, the Principal Amount specified above on the Maturity Date specified above (unless this bond is called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is fully paid at the Interest Rate per annum specified 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 15<sup>th</sup> 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, \_\_\_\_\_, in which case it shall bear interest from the Original Date, which interest is payable commencing on \_\_\_\_\_ 1, \_\_\_\_\_, and semiannually on each January 1 and July 1 thereafter. Interest shall be calculated on the basis of twelve 30-day months for a 360-day year.

[The principal on this Bond is payable at the [principal corporate trust] office of \_\_\_\_\_ ("Registrar" or "Paying Agent"), in the City of [East Syracuse, New York] [\_\_\_\_\_, Indiana.]] All payments of [principal of and] interest on this bond shall be paid by [check, mailed one day prior to the interest payment date] OR [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority ("Authority") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the Registered Owner at the address as it appears on the registration books kept by [\_\_\_\_\_] ("Registrar" or "Paying Agent") in the \_\_\_\_\_ of \_\_\_\_\_, Indiana] OR [the Registrar] as of the fifteenth day of the month immediately preceding an interest payment date 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 that 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 dates of such payment, shall be legal tender for the payment of public and private debts.

THIS BOND IS NOT A CORPORATE OBLIGATION OR INDEBTEDNESS OF THE CITY, BUT IS AN OBLIGATION AND INDEBTEDNESS OF THE DISTRICT, AS A SPECIAL TAXING DISTRICT, AND THIS BOND, TOGETHER WITH INTEREST HEREON, SHALL BE PAYABLE SOLELY OUT OF THE NET REVENUES (AS HEREINAFTER DEFINED).

This bond is [the only] one of an authorized issue of bonds of the City, [[to be] [issued in series] of like date, tenor and effect, [except as to rates of interest[, series designation,] and dates of maturity]], in the aggregate amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) [for this series], numbered from 20\_\_R-1 upward, issued for the purpose of providing funds to pay the costs of the [Project and the refunding of the BAN], as defined in the below-defined Resolution, together with costs incidental thereto, and all expenses necessarily incurred in connection with the issuance of such bonds, as authorized by a resolution adopted by the Board of Directors of the Department of Waterworks of the City on the 4<sup>th</sup> day of May, 2021, entitled “AMENDED AND RESTATED BOND RESOLUTION OF THE BOARD OF DIRECTORS OF THE DEPARTMENT OF WATERWORKS OF THE CITY OF EVANSVILLE, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS OF THE WATERWORKS DISTRICT OF THE CITY OF EVANSVILLE TO PROVIDE FUNDS FOR WATER TREATMENT PLANT IMPROVEMENTS, DISTRIBUTION SYSTEM IMPROVEMENTS AND VARIOUS OTHER WATERWORKS IMPROVEMENTS, TOGETHER WITH INCIDENTAL EXPENSES, INCLUDING COSTS OF ISSUANCE OF THE BONDS” (the “Resolution”), and in strict compliance with the provisions of Indiana Code, Title 8, Article 1.5, Chapter 4, [and Title 5, Article 1, Chapter 5], and the laws amendatory thereof and supplemental thereto (collectively, the “Act”).

[Reference is hereby made to the Financial Assistance Agreement (“Financial Assistance Agreement”) between the City, the District and the Authority concerning certain terms and covenants pertaining to the Project and the purchase of this bond as part of its drinking water loan program established and existing pursuant to Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4 and Indiana Code 5-1.2-10, each as amended.

This bond is issuable only in fully registered form in the denomination of [\$5,000 or any integral multiple thereof] [\$1.00] not exceeding the aggregate principal amount of the bonds of this issue and series maturing in any one year.

Pursuant to the provisions of the Act and the Resolution, the principal of and interest on this bond and all other bonds of this issue, together with the Prior Bonds (as defined in the Resolution), and any bonds hereafter issued ranking on parity herewith and therewith, are payable solely from the Bond Payment Fund (the “Bond Fund”) heretofore created and continued by the Resolution, to be provided from the Net Revenues (defined in the Resolution as the gross revenues of the waterworks, inclusive of System Development Charges (as defined in the Resolution), remaining after payment of reasonable expenses of operation, repair and maintenance and excluding transfers for payment in lieu of property taxes) of the waterworks. The bonds of this issue constitute a first charge against the Net Revenues, on parity with the Prior Bonds.



The City, on behalf of the District, irrevocably pledges, on parity with the Prior Bonds, the Net Revenues of the waterworks to the prompt payment of the principal of and interest on the bonds of this issue to the extent necessary for that purpose, and covenants that it will caused 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 waterworks and for the payment of the sums required to be paid into the Bond Fund under the provisions of the Act and the Resolution.

The bonds of this issue maturing on and after July 1, 20\_\_ are subject to redemption at the option of the City, on \_\_\_\_\_ 1, 20\_\_ or any date thereafter, on [sixty (60)][thirty (30)] days' notice, in whole or in part, in [inverse order of maturity][the order of maturity selected by the District] and by lot within a maturity, at face value, together with the following premiums:

\_\_% if redeemed on \_\_\_\_\_ 1, \_\_\_\_,  
or thereafter on or before \_\_\_\_\_, \_\_\_\_;  
\_\_% if redeemed on \_\_\_\_\_ 1, \_\_\_\_,  
or thereafter on or before \_\_\_\_\_, \_\_\_\_;  
0% if redeemed on \_\_\_\_\_ 1, \_\_\_\_,  
or thereafter prior to maturity;

plus accrued interest to the date fixed for redemption[; provided, however, if the Bonds are sold to the SRF Program and registered in the name of the Authority, the Bond shall not be redeemable at the option of the City unless and until consented to by the Authority].

[Insert mandatory sinking fund redemption terms, if any.]

Notice of any such redemption shall be sent by registered or certified mail to the Registered Owner of this bond not less than [sixty (60)][thirty (30) and not more than sixty (60)] days prior to the date fixed for redemption, unless such notice is waived by the Registered Owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The notice shall specify the redemption price, the date and place of redemption and the registration numbers (and in case of partial redemption, the respective principal amounts) of the bonds called for redemption. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption to pay the redemption price on the redemption date or when presented for payment.

Prior to the date fixed for redemption, funds shall be deposited with the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds to the payment of, the bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. No payment shall be made by the Paying Agent upon any bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by the Resolution with respect to any mutilated, lost, stolen or destroyed bond.

If this bond shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal and the premium, if any, and interest, so due and payable upon this bond or such portion hereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of

and interest on which are unconditionally guaranteed, by the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and 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 this bond or such portion hereof shall no longer be deemed outstanding, entitled to the pledge of the Net Revenues of the waterworks or an obligation of the District.

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

All bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed and shall not be reissued, and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Registrar to the District; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any bond without charge to the holder thereof.

Subject to the provisions of the Resolution regarding the registration of bonds, this bond and all other bonds of the issue of which this bond is a part are fully negotiable instruments under the laws of the State of Indiana. This bond is transferable or exchangeable only on the books of the District maintained for such purpose at the principal 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 the same aggregate principal amount and of the same maturity and series shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the Registered Owner or his attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any exchange or transfer of this bond (i) during the 15 days immediately preceding an interest payment date on this bond, or (ii) after the mailing of any notice calling this bond for redemption. The District, the Registrar and the 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.

In the event this bond is mutilated, lost, stolen or destroyed, the District may cause to be executed and the Registrar may authenticate a new bond of like date, series, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided, that in the case of this bond being mutilated, this bond shall first be surrendered to the Registrar, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the District and to the Registrar, together with indemnity satisfactory to them. In the event that this bond, being mutilated, lost, stolen or destroyed, shall have matured or been called for redemption, instead of causing to be issued a duplicate bond the Registrar and Paying Agent may pay this bond upon surrender of this bond, if mutilated, or upon satisfactory indemnity and proof of loss, theft or

destruction in the event this bond is lost, stolen or destroyed. In such event, the District and the Registrar may charge the owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the District, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Resolution, equally and proportionately with any and all other bonds duly issued thereunder.

In the manner provided in the Resolution, the Resolution and the rights and obligations of the District and the owners of the bonds of this issue and series authorized thereunder, including this bond, may (with certain exceptions stated in the Resolution) be modified or amended with the consent of the owners of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of such bonds exclusive of any such bonds which may be owned by the District.

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

The District, the Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and the interest due hereon and for all other purposes, and none of the District, the Registrar or the Paying Agent shall be affected by any notice to the contrary.

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

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

IN WITNESS WHEREOF, the Board of Directors of the Department of Waterworks of the City of Evansville, in Vanderburgh County, State of Indiana, has caused this bond to be executed by the Mayor of the City, in the name of the City of Evansville, for and on behalf of the Waterworks District of the City, and countersigned by the Controller of the City, and its corporate seal to be hereunto affixed and attested by the manual or facsimile signature of the Clerk of the City.

CITY OF EVANSVILLE, INDIANA

(Seal of the City)

\_\_\_\_\_  
Mayor

Countersigned:

\_\_\_\_\_  
Controller

ATTEST:

\_\_\_\_\_  
Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Evansville, Indiana, Waterworks District Revenue Bonds,  
Series \_\_\_\_\_, described in the within-mentioned Resolution.

\_\_\_\_\_  
As Registrar

\_\_\_\_\_  
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN. COM. as tenants in common  
TEN. ENT. as tenants by the entireties  
JT. TEN. as joint tenants with right of survivorship and not as  
tenants in common

UNIF. TRANS. \_\_\_\_\_ Custodian  
MIN. ACT \_\_\_\_\_  
(Cust) (Minor)

under Uniform Transfers to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used although not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_  
(insert name and address) the  
within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_  
\_\_\_\_\_  
attorney to transfer the within bond on the books kept for the registration  
thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

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

Signature Guarantee:

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

(End of Bond Form)

Section 9. Sale of Bonds.

(a) The Fiscal Officer is hereby authorized and directed to have the Bonds prepared, and the Mayor, the Fiscal Officer and the Clerk of the City are each hereby authorized and directed to execute, countersign and attest, respectively, the Bonds in the form and manner herein provided. The Fiscal Officer is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof after sale made in accordance with the provisions of this Resolution, provided that at the time of delivery the Fiscal Officer shall collect the full amount which the purchaser or purchasers have agreed to pay therefor, which shall be not less than the par value of the Bonds if sold to the Authority as part of its SRF Program or not less than ninety-nine percent (99.0%) of the par amount of the Bonds (or such higher percentage as the Fiscal Officer may determine with the advice of the municipal advisor) if sold to any other purchaser, plus accrued interest thereon to the date of delivery, if any.

Prior to the sale of any series of Bonds to be sold at a competitive bond sale, the Fiscal Officer shall cause to be published a notice of intent to sell two times at least one week apart in the *Evansville Courier & Press* and the *Indianapolis Business Journal*. The notice of such sale or a summary thereof may also be published in any financial journal or in other publications, in the discretion of the Fiscal Officer with the advice of the municipal advisor. The notice must state that any person interested in submitting a bid for the Bonds may furnish in writing, at the address set forth in the notice, the person's name, address, and telephone number, and that any such person may also furnish a telex number or email address. The notice must also state: (a) the amount of the Bonds to be offered; (b) the denominations; (c) the dates of maturity; (d) the maximum rate or rates of interest; (e) the place of sale; and (f) the time within which the name, address and telephone number must be furnished, which must not be less than seven days after the last publication of the notice. Each person so registered shall be notified of the date and time bids will be received and the final principal maturity schedule of the Bonds not less than 24 hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex or email if the person furnishes a telex number or email address. Such notice may also include such other information as the Fiscal Officer shall deem necessary. Such notice shall further provide, among other things, that each bid shall be accompanied by a certified cashier's check or a financial surety bond in an amount equal to one percent (1.0%) of the principal amount of the Bonds to guarantee performance on the part of the bidder; that if the Bonds are awarded to a bidder who has submitted a financial surety bond to the Fiscal Officer, then such bidder must submit the required amount of the good faith deposit to the Fiscal Officer in the form of a certified or cashier's check (or a wire transfer consisting of immediately available funds to the City as instructed by the Fiscal Officer) not later than 3:00 p.m. (local time) on the next business day

following the award by the Fiscal Officer; that if such check or wire transfer is not received by that time, the financial surety bond may be drawn upon by the City on behalf of the District to satisfy the deposit requirements; and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the Bonds as soon as the Bonds are ready for delivery, or at the time fixed in the notice, then the proceeds thereof shall become the property of the District and shall be considered as the District's liquidated damages on account of such default.

All bids shall be sealed and shall be presented to the Fiscal Officer at the Fiscal Officer's office, or such other place designated by the Fiscal Officer, and the Fiscal Officer shall continue to receive all bids offered until the hour fixed for the sale of the Bonds, at which time and place the Fiscal Officer shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5.0%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate of interest. The interest rate on Bonds of a given maturity must be at least as great as the interest rate on Bonds of any earlier maturity. Subject to the provisions set forth below, the Fiscal Officer shall award the Bonds to the bidder offering the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds from the date thereof to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. The Fiscal Officer shall have full right to reject any and all bids. In the event no acceptable bid is received at the time fixed for the sale of the Bonds, the Fiscal Officer shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed 30 days, without readvertising, pursuant to Indiana law.

As an alternative to a public sale, the Fiscal Officer, upon the advice of the municipal advisor and bond counsel, may elect to issue any series of Bonds upon the terms and conditions set forth in a purchase agreement (the "Purchase Agreement"), to be entered into between the City and The Evansville Local Public Improvement Bond Bank or, if permitted by Indiana Code 5-1-11-1(a)(2), as amended, to an underwriter or a financial institution selected by the Board (the "Underwriter"). The Board hereby approves the sale of the Bonds to the Underwriter, and authorizes the Fiscal Officer, for and on behalf of the District, to execute and deliver, and to perform the obligations of the District under the Purchase Agreement, in the form the Fiscal Officer, with the advice of counsel, determine to be necessary or appropriate, such determination to be conclusively evidenced by such Fiscal Officer's execution thereof.

As an alternative to public sale or sale to an Underwriter, the Fiscal Officer may negotiate the sale of the Bonds to the Authority as part of its SRF Program. The Mayor and the Fiscal Officer are hereby authorized to: (i) submit an application to the Authority as part of its SRF Program; (ii) execute a Financial Assistance Agreement with the Authority with terms conforming to this Resolution; and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Fiscal Officer consistent with the terms of this Resolution.

Prior to the delivery of each series of Bonds, the Fiscal Officer (i) shall be authorized to investigate, negotiate and obtain municipal bond insurance, other forms of credit enhancement, and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the District, and such opinion shall be furnished to the purchaser or purchasers of the Bonds at the expense of the District. The costs of obtaining any such municipal bond insurance, other credit enhancement, and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion

and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the cost of issuance of the Bonds of such series and shall be paid out of the proceeds of the sale of the Bonds of such series.

(b) The Bonds, when fully paid for and delivered to the purchaser, shall be the binding obligations of the District, payable out of the Net Revenues. The proper officers of the City are hereby directed to sell the Bonds to the 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.

Section 10. Use of Proceeds.

Proceeds received from the sale of the Bonds of a series shall be deposited as follows:

On the date of issuance of the Bonds, any accrued interest received at the time of the delivery of the Bonds shall be deposited into the Bond Fund, and there shall be deposited into the Reserve Fund pursuant to Section 13 hereof the amount, if any, determined pursuant to Section 13.

On the date of issuance of the Bonds, there shall be deposited into a bank or banks which are legally qualified depositories for the funds of the City, in a special account or accounts to be designated as "City of Evansville Waterworks District BANs Refunding Account" a sufficient amount of the proceeds of the Bonds, as directed by the City's Fiscal Officer, to retire any BANs as soon as reasonably practicable.

On the date of delivery of the Bonds, a sufficient amount of the proceeds from the sale of the Bonds, together with other moneys legally available therefor, if any, as directed by the Fiscal Officer, shall be deposited into a bank or banks which are legally qualified depositories for the funds of the City, in a special account or accounts to be designated as "City of Evansville Waterworks District Construction Account" and used to pay the costs of the Project (including any capitalized interest) (hereinafter called the "Construction Account").

The remaining proceeds from the sale of the Bonds shall be deposited into a bank or banks which are legally qualified depositories for the funds of the City, in a special account or accounts to be designated as "City of Evansville Waterworks District Costs of Issuance Account" (hereinafter called the "Costs of Issuance Account"). Amounts in the Costs of Issuance Account shall be expended only for the purpose of paying the costs of issuance of the Bonds and related costs. Any balance or balances remaining unexpended in the Costs of Issuance Account after payment of the costs of issuance of the Bonds shall be paid into the Bond Fund and shall be used solely for the payment of interest on the Bonds. The owners of the Bonds shall be entitled to a lien on the proceeds of the Bonds until such proceeds are applied as required by this Resolution and by Indiana law.

If the Bonds are sold to the Authority as part of its SRF Program, to the extent (a) that the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City on behalf of the District or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Department and the Authority), the City on behalf of the District shall reduce the principal amount of the Bond maturities to effect such reduction in a manner that will still achieve the annual debt service as described in Section 1 subject to and upon the terms forth in the Financial Assistance Agreement.

Section 11. Revenue Fund. There is hereby continued a fund of the utility designated as the Revenue Fund (the "Revenue Fund"). The Revenue Fund shall be segregated and kept

separate and apart from all other funds of the City, into which the City shall deposit all income and revenues derived from the operation of the Waterworks and from the collection of water rates and charges (including any System Development Charges) of the Waterworks. The following order of priority shall occur in respect of any use of amount held in the Revenue Fund:

(a) first, to pay and provide for the proper and reasonable expenses of operation, repair and maintenance of the works (but excluding from operation, repair and maintenance expenses any transfers for payment in lieu of property taxes ("PILOTs"), depreciation, improvements, extensions or additions);

(b) second, after a balance is maintained in this Fund sufficient to pay the expenses of operation, repair and maintenance of the Waterworks for the then next succeeding two (2) calendar months, to provide for the payment of the principal and interest of all bonds payable from the Net Revenues of the Waterworks and fiscal agency charges of registrars or paying agents by making the required transfers to the Bond and Interest Account of the Bond Fund as hereinafter provided;

(c) third, after making such required transfers to the Bond and Interest Account of the Bond Fund, making the required transfers to the Reserve Fund as hereinafter provided, and

(d) last, and only after providing for the aforementioned, may such remaining amount be used to pay and provide for the costs of replacements, extensions, additions and improvements to the works or for making transfers for any payment constituting PILOTs.

The City reserves the right to transfer PILOTs from the Revenue Fund, provided that any such use of the Revenue Fund shall be in accordance with the Act (and such shall occur no more frequently than semiannually if (a) any waterworks bonds are owned by the Authority and remain outstanding and (b) the Authority provides notice to the Board so requiring), and only if the Revenue Fund, the Bond Fund and Reserve Fund contain their required balances as of the date the PILOTs are so transferred. None of the monies in the Revenue Fund shall be transferred to the general fund of the City (other than any payment constituting PILOTs as provided in the prior sentence) or otherwise be used for any purpose not connected with the Waterworks.

Section 12. Bond Payment Fund. There is hereby continued a fund of the utility designated as the Bond Payment Fund (the "Bond Fund"), to be used for the payment of the principal of and interest on bonds which by their terms are payable from the Net Revenues, and the payment of any fiscal agency charges in connection with such payment. There shall be set aside and deposited into the Bond Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the works to meet the requirements of the Bond and Interest Account previously created and hereby continued in the Bond Fund.

(a) Bond and Interest Account. The Bond and Interest Account of the Bond Fund is hereby continued. There shall be transferred, on the last day of each calendar month, from the Revenue Fund and credited to the Bond and Interest Account an amount equal to the sum of at least one-twelfth (1/12) (or, after January 1, 2038, at least one-sixth (1/6)) of the principal and at least one-sixth (1/6) of the interest on all then outstanding bonds payable from Net Revenues on the next succeeding principal and interest payment dates, until the amount available therein shall equal the principal payable during the next succeeding twelve (12) calendar months (or after January 1, 2038, during the next succeeding six (6) calendar months) and the interest payable during the next succeeding six (6) calendar months; provided, that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account any amount necessary to pay when due the bank fiscal agency



charges for paying principal of and interest on the bonds as the same become payable. The District shall, from the sums deposited into the Bond 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 principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

Section 13. Reserve Fund. (a) There is hereby continued the Reserve Fund and within the Reserve Fund the following reserve accounts: (i) the Post-2017 Reserve Account for the 2018A Bonds, the 2019 Bonds, the 2020 Bonds, the 2021 Bonds, the Bonds and any Future Parity Bonds (as defined below) (the "Post-2017 Reserve Account"), (ii) a Series Reserve Account for 2016A Bonds (herein "2016A Series Reserve Account") and (iii) a Series Reserve Account for 2016B Bonds (herein "2016B Series Reserve Account") (the 2016A Series Reserve Account and the 2016B Series Reserve Account, each a "Pre-2017 Reserve Account" and collectively the "Pre-2017 Reserve Accounts"). The District has caused debt service reserve surety policies to be held in the 2016B Series Reserve Account ("2016B Surety Bond") and the Post-2017 Reserve Account (the "Post-2017 Surety Bond"), respectively, to meet their respective Reserve Requirements. The Reserve Fund constitutes a margin for safety and protection against default in the payment of principal of and interest on the Prior Bonds, the Bonds, and any Future Parity Bonds so long as the Reserve Requirement has been appropriately increased, as described in this Section 13.

(b) On the date of delivery of a series of Bonds authorized by this Resolution, the District shall, to the extent directed by the Fiscal Officer with the advice of the District's municipal advisor, deposit into the Post-2017 Reserve Account from funds on hand, proceeds of Bonds, a Surety Bond, or a combination of one or more of the above to satisfy the Reserve Requirement (as hereinafter defined) with respect to the Bonds; provided however, as long as any of the Prior Bonds are owned by the Authority as part of the SRF Program and remain outstanding, the City and the District shall receive consent from the Authority before funding any reserve account for any bonds payable from Net Revenues with a Surety Bond. To the extent necessary to satisfy the Reserve Requirement for the Bonds, there shall be deposited into the Post-2017 Reserve Account Net Revenues in equal monthly installments over a 60 month period (commencing on the date of issuance of the applicable series of Bonds). With respect to any bonds hereafter issued that are payable from Net Revenues on parity with the Bonds ("Future Parity Bonds"), the Reserve Requirement with respect to such Future Parity Bonds may be satisfied by depositing Net Revenues into (i) an account established for such Future Parity Bonds within the Reserve Fund or (ii) the Post-2017 Reserve Account in equal monthly installments over a 60 month period (commencing upon the date of delivery of such Future Parity Bonds); provided, however, that so long as any of the Prior Bonds are held by or for the account of the Authority as part of its SRF Program, the Net Revenues shall be deposited into the Post-2017 Reserve Account. Any Surety Bond for the Reserve Fund must be issued by an insurance company rated (at the time the Surety Bond is purchased) in one of the two highest rating categories by Standard & Poor's Corporation or Moody's Investors Service. However, as long as any of the Prior Bonds are held by or for the account of the Authority, if any Surety Bond (including the 2016B Surety Bond and any Surety Bond securing the Bonds, which includes the Post-2017 Surety Bond) becomes a Disqualified Instrument (as defined in the Financial Assistance Agreement, dated as of December 21, 2018, as supplemented and amended, by and among the Authority, the City and the District, the District shall cause the related provision of such Financial Assistance Agreement to be complied with including by depositing Net Revenues into the applicable account of the Reserve Fund.

(c) The balance in each of the reserve accounts shall equal but not exceed the least of (i) the maximum annual debt service on such applicable issue of bonds, (ii) 125% of the average annual debt service on such applicable issue of bonds; and (iii) ten percent (10%) of the proceeds of such applicable issue of bonds (the "Reserve Requirement"); provided, however, that so long as any of the Prior Bonds are held by or for the account of the Authority as part of its SRF Program, the Reserve Requirement of the Post-2017 Reserve Account shall not be less than the maximum annual debt service on all of the 2018A Bonds, the 2019 Bonds, the 2020 Bonds, the 2021 Bonds, the Bonds and any Future Parity Bonds.

(d) So long as the Pre-2017 Bonds remain outstanding, each Pre-2017 Reserve Account of the Reserve Fund shall be segregated in separate accounts and available only for the applicable issue for which such account is established. For avoidance of doubt, the 2016A Series Reserve Account shall only be available to pay the debt service on the 2016A Bonds and the 2016B Series Reserve Account shall only be available to pay the debt service on the 2016B Bonds.

(e) The Post-2017 Reserve Account is pledged, and shall only be available, to pay the debt service on the 2018A Bonds, the 2019 Bonds, the 2020 Bonds, the 2021 Bonds, the 2020 Bonds and any applicable Future Parity Bonds. For avoidance of doubt, the Post-2017 Reserve Account is not pledged, and shall not be available, to pay the debt service on the Pre-2017 Bonds.

(f) Moneys in the separate reserve accounts of the Reserve Fund shall be used only to pay current principal of and interest on the Bonds, the Prior Bonds and any Future Parity Bonds (to the extent secured by such reserve account) to the extent that moneys in the Bond and Interest Account, after being applied on parity (prorata) basis, are insufficient for that purpose.

(g) Any deficiencies in credits to the respective reserve accounts of the Reserve Fund shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account on parity (prorata) basis. In the event moneys in the respective reserve accounts of the Reserve Fund are transferred to the Bond and Interest Account to pay principal and interest on the Bonds, the Prior Bonds and any Future Parity Bonds, then such depletion of the balance in the respective reserve accounts of the Reserve Fund shall be made up from the next available Net Revenues on parity (prorata) basis after the credits into the Bond and Interest Account hereinbefore provided for.

(h) No moneys shall be held in an account of the Reserve Fund in excess of the applicable Reserve Requirement. The Board has determined, based on the advice of its municipal advisor, that the Post-2017 Reserve Account is reasonably required and that the Reserve Requirement of the Post-2017 Reserve Account is no larger than necessary to market the Bonds.

Section 14. Investment of Funds. All of the amounts in the funds and accounts created pursuant to this Resolution shall be deposited into lawful depositories of the State of Indiana, and shall be continuously held and secured or invested as provided by the laws of the State of Indiana relating to the depositing, securing, holding and investing of public funds, including particularly Indiana Code 5-13-9, Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4 and Indiana Code 5-1.2-10, each as amended. The amounts in the Bond Fund and all other funds and accounts created pursuant to this Resolution shall be kept in one or more separate bank accounts apart from all other bank accounts of the City, for and on behalf of the District. Nothing in this section or elsewhere in this resolution shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts created by this resolution except that (a) the Bond Fund, the Reserve Fund and the Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the Waterworks, and (b) the other Funds and Accounts of

the Waterworks shall be maintained as a separate bank account from the other funds and accounts of the City. In no event shall any of the revenues of the Waterworks be transferred or used for any purpose not authorized by this Resolution, unless otherwise authorized under Indiana law, so long as any of the bonds of the Waterworks issued pursuant to the provisions of this Resolution shall be outstanding. Investment income earned on moneys in the funds and accounts established by this Resolution shall become a part of the funds and accounts invested (except as otherwise provided in Section 13 hereof) and shall be used only as provided in this Resolution.

Section 15. Financial Records and Accounts. (a) The District shall keep, or shall cause the Fiscal Officer to 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 utility and all disbursements made therefrom and all transactions relating to the utility. The District shall maintain on file the audited financial statements of the utility prepared by the State Board of Accounts. There shall be furnished, upon written request, to an owner of any Bonds, the most recent copy of the audited financial statements of the utility prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Fiscal Officer.

(b) If the Bonds or BANs are sold to the Authority as part of its SRF Program, the City, for and on behalf of the District, shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Waterworks in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual/cash basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 16. Rate Covenant. The Board shall establish, maintain and collect just and equitable rates and charges for facilities and services rendered by the Waterworks which shall, to the extent permitted by law, produce sufficient revenues, provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient so long as the Bonds are outstanding and owned by the Authority as part of its SRF Program, at all times to pay all the legal and other necessary expenses incident (a) to the operation of the Waterworks, including (i) maintenance costs, operating charges, upkeep, repairs, and interest charges on bonds or other obligations, including leases and (ii) Operation and Maintenance (as defined in the Financial Assistance Agreement) if the Bonds are sold to the Authority through its SRF Program; (b) to provide a sinking fund for the liquidation of bonds or other obligations, including leases; (c) to provide a debt service reserve for bonds or other obligations, including leases, as required by the terms of such obligations; (d) to provide adequate money for working capital; (e) to provide adequate money for making extensions and replacements; (f) to comply with and satisfy all covenants contained in this resolution and the Financial Assistance Agreement if the Bonds are sold to the Authority through its SRF Program and (g) to provide money for the payment of any taxes that may be assessed against the Waterworks, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such Waterworks property in a sound physical and financial condition to render adequate and efficient service. So long as any of the Bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by said system shall be furnished without a reasonable and just charge being made therefor. The City shall pay like charges for any and all services rendered by the Waterworks to the City, and all such payments shall be deemed to be revenues of the Waterworks. Such rates or 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, repair and maintenance of the Waterworks and the requirements of the Bond Fund.

Section 17. Defeasance. If, when the Bonds of a series 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, premium, if any, and the interest so due and payable upon such Bonds or such portion thereof then outstanding shall be paid, or (i) sufficient moneys or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in clause (ii) above of a bank or banks, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also have been made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or such portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Waterworks.

Section 18. Additional Bonds. The District reserves the right to authorize and issue additional bonds payable out of the Net Revenues ranking on parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the works, or to provide for a complete or partial refunding of obligations, subject to the following conditions precedent:

(a) All required payments into the Bond Fund and the Reserve 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 Waterworks shall have been paid in accordance with their terms.

(b) The Net Revenues of the Waterworks in the fiscal year immediately preceding the issuance of any such bonds ranking on parity with the Bonds shall be not less than one hundred twenty-five percent (125.0%) of the maximum annual principal and interest requirements of the then outstanding bonds payable from the Net Revenues and the additional parity bonds proposed to be issued; or, prior to the issuance of the additional parity bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125.0%) of such maximum annual principal and interest requirements of the then outstanding bonds payable from the Net Revenues and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the Waterworks shall be analyzed and all showings prepared by a certified public accountant or financial consultant employed by the Board for that purpose. In addition, for purposes of this subsection, with respect to any parity bonds hereafter issued while the Bonds remain outstanding and owned by the Authority as part of its SRF Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such parity bonds without satisfying this subsection (b).

(c) The principal of additional parity bonds shall be payable annually on January 1 of each year through January 1, 2038, and semiannually on January 1 and July 1 thereafter, and the interest shall be payable semiannually on January 1 and July 1 during the periods such principal and interest are payable.

(d) In addition to satisfying the requirements of this Section 18, so long as any of the Prior Bonds are held by the Authority through its SRF Program or if any Bonds are sold to the Authority as part of its SRF Program, the District shall not issue additional parity bonds until: (i) the District obtains the consent of the Authority; (ii) the District has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Resolution; and (iii) the District is in compliance with its waterworks permits, except for non-compliance for which purpose the additional parity bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

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

(a) The Board shall at all times maintain the Waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds are outstanding, the Board shall maintain insurance on the insurable parts of the works, of a kind and in such an amount as would normally be carried by private entities 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. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged, or, if not used for that purpose, shall be treated and applied as Net Revenues of the Waterworks; provided, if the Bonds or BANs are sold to the Authority through its SRF Program, the Authority shall consent to any such treatment and application of such proceeds or awards as Net Revenues of the Waterworks or any other different use of such proceeds or awards..

(c) So long as any of the Bonds are outstanding, the Board shall not mortgage, pledge or otherwise encumber the works, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, except equipment or property which may become worn out, obsolete or no longer suitable for use in the Waterworks.

(d) If the BANs or Bonds are sold to the Authority through its SRF Program, neither the City nor the District shall without the prior written consent of the Authority (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the Waterworks other than for normal operating expenditures, or (ii) borrow any money (including without limitation any loan from other utilities operated by the City or the District) in connection with the Waterworks.

(e) 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 works shall be issued by the District, except such as shall be made junior and subordinate in all respects to the Bonds, unless all of the Bonds are defeased coincidentally with the delivery of such additional bonds or other obligations. Any such subordinate obligations shall be subject to the provisions of Section 18(c) of and Section 19(d) of this Resolution.

(f) The provisions of this Resolution shall constitute a contract by and between the Board and the owners of the Bonds, and, after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights of such owners, nor shall the Board adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as the Bonds or the interest thereon remains unpaid. However,

excluding the changes set forth in Section 20(a)-(f), this Resolution may be amended without the consent of the owners of the Bonds as provided in Section 21 of this Resolution.

(g) 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 the Act. The provisions of this Resolution shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Bond Fund for the uses and purposes of that fund as set forth in this Resolution. The owners of the Bonds shall have all the rights, remedies and privileges available under Indiana law in the event the Board shall fail or refuse to fix and collect sufficient rates and charges for said purposes, or shall fail or refuse to properly operate and maintain the Waterworks and to apply properly the revenues derived from the operation thereof, or if a default occurs in the payment of the interest on or principal of the Bonds.

(h) For purpose this Section 19, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the City, the District or the City, for and on behalf of the District, to use property in exchange for a periodic payments made from the revenues of the Waterworks, whether the City, the District or the City, for and on behalf of the District, desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

(i) If the BANs or Bonds are sold to the Authority through its SRF Program, neither the City nor the District shall without the prior written consent of the Authority permit any moneys derived from the revenues of the Waterworks to be transferred to the general fund of the City or to be used for any purpose not connected with the Waterworks. Notwithstanding the previous sentence, the District may transfer PILOT payments in accordance with Section 11 hereof, unless the Authority provides notice to the Board that the Authority has determined in its reasonable discretion that such transfer adversely affects the Authority.

Section 20. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 21, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the Board of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Board for the purpose of amending in any particular any of the terms or provisions contained in this Resolution, or in any supplemental resolution; provided, however, that if the Bonds or BANs are sold to the Authority as part of its SRF Program, the City and the District shall obtain the prior written consent of the Authority; and provided further, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of, mandatory sinking fund redemption date or interest on any Bond; 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 ranking prior to the pledge thereof created by this Resolution; or

- (d) A preference or priority of any Bond or Bonds over any other Bond or Bonds; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution; or
- (f) A reduction of the Reserve Requirement.

If the Board shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the Bonds. The Registrar shall not, however, be subject to any liability to any owners of the Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as herein provided.

In the event that 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 Secretary of the Board, no owner of any Bond 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 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 20, 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 Board 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 Board and of the owners of the Bonds, and the terms and provisions of the Bonds and this Resolution or any supplemental resolution may be modified or amended in any respect with the consent of the Board and the consent of the owners of all the Bonds then outstanding.

Section 21. Amendments without Consent of Bondholders. The Board may, from time to time and at any time, and without notice to or consent of the owners of the Bonds, adopt such resolutions supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof); provided, however, that if the Bonds or BANs are sold to the Authority as part of its SRF Program, the City and the District shall obtain the prior written consent of the Authority:

- (a) To cure any ambiguity or formal defect or omission in this Resolution or in any supplemental resolution;
- (b) To grant to or confer upon the owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds;
- (c) To procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental resolution, if such supplemental resolution will not adversely affect the owners of the Bonds;

- (d) To obtain or maintain bond insurance with respect to the Bonds;
- (e) To provide for the refunding or advance refunding of the Bonds;
- (f) To provide for the issuance of additional bonds as provided in Section 18 hereof;
- (g) To provide for the sale of Bonds to the Indiana Finance Authority as described in Section 24 hereof; or
- (h) To make any other change which, in the determination of the Board in its sole discretion, does not adversely affect the interests of the owners of the Bonds.

Section 22. Tax Matters. To preserve the exclusion of interest on the Bonds of a series issued on a tax-exempt basis from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Board represents, covenants and agrees that:

(a) No person or entity, other than the City, the District or another state or local governmental unit, will use more than ten percent (10%) of the proceeds of the Bonds of a series or property financed by the proceeds of Bonds of a series other than as a member of the general public. No person or entity other than the City, the District or another state or local governmental unit will own property financed by proceeds of Bonds of a series or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the general public of such property, unless such use in aggregate relates to no more than ten percent (10%) of the proceeds of the Bonds.

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

(c) No more than five percent (5%) of the proceeds of Bonds of a series will be loaned to any entity or person other than a state or local governmental unit. No proceeds of Bonds of a series will be transferred, directly or indirectly, or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the proceeds of the Bonds of such series.

(d) The Board will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder as applicable to the Bonds, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on Bond proceeds or other moneys treated as Bond proceeds to the federal government as provided in Section 148 of the Code, and will set aside such moneys, which may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein, in trust for such purposes.

(e) For each series of Bonds, the Board will file an information report on Form 8038-G (or such other form as may be required by the Internal Revenue Service) with the Internal Revenue Service as required by Section 149 of the Code.



(f) The Board will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the regulations thereunder as applicable to the Bonds.

(g) The covenants in this Section 22 are based solely on current law in effect and in existence on the date of delivery of the Bonds.

(h) It shall not be an event of default under this Resolution if the interest on the 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.

Notwithstanding any other provisions of this Resolution, the foregoing covenants and authorizations (the “Tax Sections”) which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with to the extent the District receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption.

Section 23. Official Statement; Continuing Disclosure. To the extent required by law, the Bonds of a series shall be offered and sold pursuant to an Official Statement with respect to such series of the Bonds (the “Official Statement”), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the “Rule”) and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. For each series of Bonds, the Board hereby authorizes the Fiscal Officer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the District; (b) on behalf of the District, to designate the Preliminary Official Statement a “final” Official Statement with respect to the Bonds of such series, subject to completion as permitted by the Rule; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule. The Mayor and the Fiscal Officer are further authorized to execute an agreement in connection with the offering of the Bonds of such series in accordance with the Rule by which the City, on behalf of the District, agrees to undertake such continuing disclosure obligations as may be required under the Rule.

Section 24. Indiana Finance Authority. The Mayor and the Fiscal Officer are hereby authorized to: (i) submit an application to the Authority as part of its drinking water loan program established and existing pursuant to Indiana Code 5-1.2-1 through Indiana Code 5-1.2-4 and Indiana Code 5-1.2-10 (or corresponding provisions of future law); (ii) execute a Financial Assistance Agreement with the Authority with terms conforming to this Resolution; and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Fiscal Officer consistent with the terms of this Resolution. If required by the SRF Program to be eligible for such financial assistance, this Resolution shall be amended and supplemented to the extent necessary to permit the sale of Bonds of a series to the Authority as part of its SRF Program.

Section 25. WIFIA Program. The Mayor and the Fiscal Officer are hereby authorized to: (i) submit an application to the Environmental Protection Agency (the “EPA”), either individually or jointly with the Authority, as part of its loan program established pursuant to the Water Infrastructure Finance and Innovation Act of 2014 (or corresponding provisions of future

law) (the “WIFIA Program”); (ii) execute and delivery all necessary documents and agreements with the EPA with terms conforming to this Resolution; and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Fiscal Officer consistent with the terms of this Resolution. If required by the WIFIA Program to be eligible for such financial assistance, this Resolution shall be amended and supplemented to the extent necessary to permit the sale of Bonds of a series to the EPA as part of its WIFIA Program.

Section 26. Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Resolution, shall be a legal holiday or a day on which banking institutions in the City or the jurisdiction in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Resolution, and no interest shall accrue for the period after such nominal date.

Section 27. No Conflict. The Board hereby finds and determines that the adoption of this Resolution and the issuance of the Bonds are in compliance with the Prior Resolutions. The Prior Resolutions shall remain in full force and effect. All resolutions, ordinances and parts thereof in conflict herewith, except the Prior Resolutions, are, to the extent of such conflict, hereby repealed. None of the provisions of this Resolution shall be construed to adversely affect the rights of the owners of the Prior Bonds.

Section 28. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 29. Interpretation. Unless the context or laws clearly require otherwise, references herein to statutes or other laws include the same as modified, supplemented or superseded from time to time.

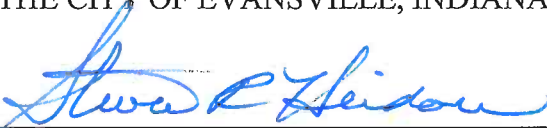
Section 30. Interpretation. Any of the Mayor, the Fiscal Officer, or the President of the Board is hereby authorized and directed, in the name and on behalf of the District, to execute, attest and deliver such further instruments and documents, and to take such further actions, in the name of the District as in their judgment shall be necessary or advisable in order fully to consummate the transactions described herein and carry out the purposes of this Resolution, and any such documents heretofore executed and delivered and any such actions heretofore taken, be, and hereby are, ratified and approved.

Section 31. Effectiveness. This Resolution shall be in full force and effect from and after its passage.

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Passed and adopted this 4<sup>th</sup> day of May, 2021.

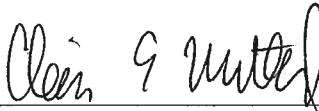
BOARD OF DIRECTORS OF  
THE DEPARTMENT OF WATERWORKS OF  
THE CITY OF EVANSVILLE, INDIANA

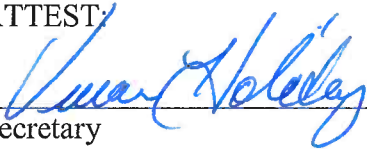
  
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Michael J. Weber, Vice President

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Barry L. Member

  
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Constance Robinson, Member

  
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Chris Rutledge, Member

ATTEST:  
  
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Secretary