



**BOARD OF SANITARY COMMISSIONERS  
REGULAR MEETING  
10:00 a.m. July 17, 2018  
Third Floor City Hall**

**CITY OF  
TERRE HAUTE  
BOARD OF  
SANITARY COMMISSIONERS**

City Hall  
17 Harding Avenue, Room 200  
Terre Haute, IN 47807

Phone: 812.232.5458  
Fax: 812.234.3973

[www.terrehaute.IN.gov](http://www.terrehaute.IN.gov)

**AGENDA**

1. Call to Order
2. Roll Call
3. Public Comments
4. Approve Minutes
5. Approve Claims
6. Bond Resolution #2, 2018
7. Other
8. Adjournment

**Minutes of Regular Meeting of the  
Board of Sanitary Commissioners  
Terre Haute, IN  
July 3, 2018**

A regular Meeting of the Board of Sanitary Commissioners was held in the Mayor's Conference Room on the third floor, City Hall, 17 Harding Avenue, Terre Haute, Indiana, on the 3rd day of July 2018, at 10:00 a.m. Those present were Charles Ennis, Larry Auler, Brad Bush, Jim Winning, and Tim Adams for the Board of Sanitary Commissioners. Terry Modesitt was also present.

Also present was Bob Murray of the Taxpayer's Association; Debbie Padgett of the WWTP; Troy Swan of HWC; Eddie Felling, City Attorney; Howard Grenenger of the Tribune Star; and Jennifer Bolen, Scott Barbour, and Sally Roetker of the Engineering Department.

The meeting of the Board of Sanitary Commissioners was called to order by President Brad Bush.

There were no public comments.

**APPROVE MINUTES**

The minutes from the June 19, 2018 meeting were presented to the Board.

On motion of Jim Winning, seconded by Tim Adams, and unanimously approved, it was resolved that the minutes from the June 19, 2018 meeting be approved.

**APPROVE CLAIMS**

The list of claims was presented to the Board for Sanitary District General and Waste Water Treatment Plant and discussed.

On motion of Larry Auler, seconded by Chuck Ennis, and unanimously approved that claims be approved as presented.

**OTHER**

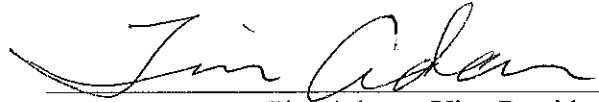
Chuck Ennis provided the Board with a copy of Annual Information for Compliance with SEC Rule 15(c)2-12 document. This was produced by Umbaugh. There is no action required.

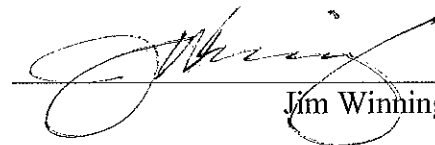
**ADJOURNMENT**

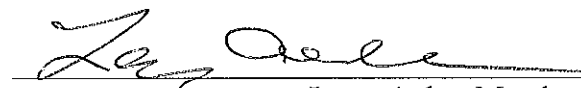
The next regular meeting of the Sanitary Board will be held on July 17, 2018 at 10:00 a.m. in the Mayor's Conference Room, 3<sup>rd</sup> Floor, City Hall, 17 Harding Avenue, Terre Haute, Indiana.


APPROVED on the 17 day of July, 2018.

\_\_\_\_\_  
Brad Bush, President

  
Tim Adams, Vice President

  
Jim Winning, Secretary

  
Larry Auler, Member

  
Chuck Ennis, Member

Run date: 07/12/2018 @ 08:18  
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City of Terre Haute  
\*\*\* Journal entry trace \*\*\*

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Jnl	Description / Addnl data items	Ref 1	Ref 2	Ref 3	Rate / Resrc	Units	Amount / Rate	Posted amount
EN	AUTOMATED FUELS, INC. A0620-0000-00-202.010	220840	10262					5,395.94CR
EN	AUTOMATED FUELS, INC. A0620-0061-02-422.010	220840	10262					2,987.78
EN	AUTOMATED FUELS, INC. A0620-0061-02-422.020	220840	10262					2,408.16
EN	DUKE ENERGY A0620-0000-00-202.010	220841	10540					23.39CR
EN	DUKE ENERGY A0620-0061-03-436.010	220841	10540					23.39
EN	DUKE ENERGY A0620-0000-00-202.010	220842	10540					92.88CR
EN	DUKE ENERGY A0620-0061-03-436.010	220842	10540					92.88
EN	DUKE ENERGY A0620-0000-00-202.010	220843	10540					79.99CR
EN	DUKE ENERGY A0620-0061-03-436.010	220843	10540					79.99
EN	DUKE ENERGY A0620-0000-00-202.010	220844	10540					379.14CR
EN	DUKE ENERGY A0620-0061-03-436.010	220844	10540					379.14
EN	DUKE ENERGY A0620-0000-00-202.010	220845	10540					12,987.47CR
EN	DUKE ENERGY A0620-0061-03-436.010	220845	10540					12,987.47
EN	DUKE ENERGY A0620-0000-00-202.010	220846	10540					186.98CR
EN	DUKE ENERGY A0620-0061-03-436.010	220846	10540					186.98
EN	DUKE ENERGY A0620-0000-00-202.010	220847	10540					12,892.35CR
EN	DUKE ENERGY A0620-0061-03-436.010	220847	10540					12,892.35
EN	DUKE ENERGY A0620-0000-00-202.010	220848	10540					28,828.21CR
EN	DUKE ENERGY A0620-0061-03-436.010	220848	10540					28,828.21
EN	ELECTRICAL AUTOMATION SERVICES A0620-0000-00-202.010	220849	2915					35,817.75CR
EN	ELECTRICAL AUTOMATION SERVICES A0620-0061-02-423.015	220849	2915					11,592.75
EN	ELECTRICAL AUTOMATION SERVICES A0620-0061-03-432.010	220849	2915					24,225.00
EN	IN AMERICAN WATER COMPANY A0620-0000-00-202.010	220850	11331					122.31CR
EN	IN AMERICAN WATER COMPANY A0620-0061-03-436.030	220850	11331					122.31
EN	IN AMERICAN WATER COMPANY A0620-0000-00-202.010	220851	11331					57.39CR
EN	IN AMERICAN WATER COMPANY A0620-0061-03-436.030	220851	11331					57.39
EN	LOWE'S A0620-0000-00-202.010	220852	11741					17.06CR

*J. W. [Signature]*  
*[Signature]*  
*Chris [Signature]*  
*Tim Adams*

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Jnl	Description / Addnl data items	Ref 1	Ref 2	Ref 3	Rate / Resrce	Units	Amount / Rate	Posted amount
EN	LOWE'S A0620-0061-02-422.005	220852	11741					17.06
EN	LOWE'S A0620-0000-00-202.010	220853	11741					23.71CR
EN	LOWE'S A0620-0061-02-422.130	220853	11741					23.71
EN	LOWE'S A0620-0000-00-202.010	220854	11741					67.44CR
EN	LOWE'S A0620-0061-02-422.005	220854	11741					67.44
EN	MARLIN BUSINESS BANK A0620-0000-00-202.010	220855	5837					6,364.45CR
EN	MARLIN BUSINESS BANK A0620-0061-04-444.010	220855	5837					6,364.45
EN	MENARDS, INC. A0620-0000-00-202.010	220856	11829					130.72CR
EN	MENARDS, INC. A0620-0061-02-423.015	220856	11829					46.96
EN	MENARDS, INC. A0620-0061-04-444.010	220856	11829					83.76
EN	MENARDS, INC. A0620-0000-00-202.010	220857	11829					80.90CR
EN	MENARDS, INC. A0620-0061-01-414.020	220857	11829					7.38
EN	MENARDS, INC. A0620-0061-04-444.010	220857	11829					73.52
EN	ONI RISK PARTNERS, INC. A0620-0000-00-202.010	220858	61					23,212.32CR
EN	ONI RISK PARTNERS, INC. A0620-0061-03-435.030	220858	61					23,212.32
EN	ONI RISK PARTNERS, INC. A0620-0000-00-202.010	220859	61					2,732.08CR
EN	ONI RISK PARTNERS, INC. A0620-0061-03-435.030	220859	61					2,732.08
EN	SAM AUMAN A0620-0000-00-202.010	220860	6020					264.45CR
EN	SAM AUMAN A0620-0061-00-347.090	220860	6020					264.45
EN	SYCAMORE RIDGE LANDFILL A0620-0000-00-202.010	220861	640					8,657.43CR
EN	SYCAMORE RIDGE LANDFILL A0620-0061-03-432.072	220861	640					1,021.83
EN	SYCAMORE RIDGE LANDFILL A0620-0061-03-432.073	220861	640					7,635.60
EN	TIME WARNER CABLE, INC. A0620-0000-00-202.010	220862	12719					2,562.25CR
EN	TIME WARNER CABLE, INC. A0620-0061-03-432.010	220862	12719					2,562.25
EN	VECTREN ENERGY DELIVERY A0620-0000-00-202.010	220863	40					655.98CR
EN	VECTREN ENERGY DELIVERY A0620-0061-03-436.020	220863	40					655.98
EN	VECTREN ENERGY DELIVERY A0620-0000-00-202.010	220864	40					46.00CR

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\* \* \* Journal entry trace \* \* \*

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Jnl	Description / Addnl data items	Ref 1	Ref 2	Ref 3	Rate / Resrce	Units	Amount / Rate	Posted amount
EN	VECTREN ENERGY DELIVERY A0620-0061-03-436.020	220864	40					46.00
EN	VECTREN ENERGY DELIVERY A0620-0000-00-202.010	220865	40					50.52CR
EN	VECTREN ENERGY DELIVERY A0620-0061-03-436.020	220865	40					50.52
EN	VECTREN ENERGY DELIVERY A0620-0000-00-202.010	220866	40					46.00CR
EN	VECTREN ENERGY DELIVERY A0620-0061-03-436.020	220866	40					46.00
EN	VECTREN ENERGY DELIVERY A0620-0000-00-202.010	220867	40					54.55CR
EN	VECTREN ENERGY DELIVERY A0620-0061-03-436.020	220867	40					54.55
EN	VECTREN ENERGY DELIVERY A0620-0000-00-202.010	220868	40					46.00CR
EN	VECTREN ENERGY DELIVERY A0620-0061-03-436.020	220868	40					46.00

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Jnl	Period	Account	Description	Debit	Credit	Balance
EN		Encumbrance Journal				
	07 2018	A0620-0000-00-202.010	ACCOUNTS PAYABLE		141,875.66	
	07 2018	A0620-0061-00-347.090	USER FEES	264.45		
	07 2018	A0620-0061-01-414.020	PROTECTIVE CLOTHING	7.38		
	07 2018	A0620-0061-02-422.005	OPERATING SUPPLIES	84.50		
	07 2018	A0620-0061-02-422.010	GASOLINE	2,987.78		
	07 2018	A0620-0061-02-422.020	DIESEL FUEL	2,408.16		
	07 2018	A0620-0061-02-422.130	GREASE SUPPLIES	23.71		
	07 2018	A0620-0061-02-423.015	REPAIR SUPPLIES	11,639.71		
	07 2018	A0620-0061-03-432.010	SERVICES CONTRACTUAL	26,787.25		
	07 2018	A0620-0061-03-432.072	SYCAMORE RIDGE LANDFILL	1,021.83		
	07 2018	A0620-0061-03-432.073	BIOSOLIDS TO LANDFILL	7,635.60		
	07 2018	A0620-0061-03-435.030	INSURANCE GENERAL PROP & LIAB	25,944.40		
	07 2018	A0620-0061-03-436.010	ELECTRIC UTILITY	55,470.41		
	07 2018	A0620-0061-03-436.020	GAS UTILITY	899.05		
	07 2018	A0620-0061-03-436.030	WATER UTILITY	179.70		
	07 2018	A0620-0061-04-444.010	PURCHASE OF EQUIPMENT	6,521.73		
		Total for Financial System		141,875.66	141,875.66	.00

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Jnl	Description / Addnl data items	Ref 1	Ref 2	Ref 3	Rate / Resrce	Units	Amount / Rate	Posted amount
EN	AMERICAN WATER CAPITAL CORP. A0620-0000-00-202.010	220695	15					5,525.00CR
EN	AMERICAN WATER CAPITAL CORP. A0620-0061-03-432.010	220695	15					5,525.00
EN	DUKE ENERGY A0620-0000-00-202.010	220696	10540					76.24CR
EN	DUKE ENERGY A0620-0061-03-436.010	220696	10540					76.24
EN	ELECTRICAL AUTOMATION SERVICES A0620-0000-00-202.010	220697	2915					111.00CR
EN	ELECTRICAL AUTOMATION SERVICES A0620-0061-03-432.010	220697	2915					111.00
EN	ELECTRICAL AUTOMATION SERVICES A0620-0000-00-202.010	220698	2915					1,592.50CR
EN	ELECTRICAL AUTOMATION SERVICES A0620-0061-03-432.010	220698	2915					1,592.50
EN	IN AMERICAN WATER COMPANY A0620-0000-00-202.010	220699	11331					398.17CR
EN	IN AMERICAN WATER COMPANY A0620-0061-03-436.030	220699	11331					398.17
EN	IN AMERICAN WATER COMPANY A0620-0000-00-202.010	220700	11331					258.52CR
EN	IN AMERICAN WATER COMPANY A0620-0061-03-436.030	220700	11331					258.52
EN	IN AMERICAN WATER COMPANY A0620-0000-00-202.010	220701	11331					46.97CR
EN	IN AMERICAN WATER COMPANY A0620-0061-03-436.030	220701	11331					46.97
EN	IN AMERICAN WATER COMPANY A0620-0000-00-202.010	220702	11331					46.53CR
EN	IN AMERICAN WATER COMPANY A0620-0061-03-436.030	220702	11331					46.53
EN	JAMES CHAMPION A0620-0000-00-202.010	220703	6015					524.78CR
EN	JAMES CHAMPION A0620-0061-00-347.090	220703	6015					524.78
EN	JOHN DEERE FINANCIAL, INC. A0620-0000-00-202.010	220704	3994					286.59CR
EN	JOHN DEERE FINANCIAL, INC. A0620-0061-02-422.005	220704	3994					286.59
EN	KATHYRN BERLIN A0620-0000-00-202.010	220705	6014					122.05CR
EN	KATHYRN BERLIN A0620-0061-00-347.090	220705	6014					122.05
EN	KEYMARK DEVELOPMENT A0620-0000-00-202.010	220706	6016					750.00CR
EN	KEYMARK DEVELOPMENT A0620-0061-00-347.090	220706	6016					750.00
EN	MASTERCARD-TH FIRST FINANCIAL A0620-0000-00-202.010	220707	5597					308.82CR
EN	MASTERCARD-TH FIRST FINANCIAL A0620-0061-02-422.005	220707	5597					10.34
EN	MASTERCARD-TH FIRST FINANCIAL A0620-0061-02-423.015	220707	5597					54.87



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Jnl	Description / Addnl data items	Ref 1	Ref 2	Ref 3	Rate / Resrce	Units	Amount / Rate	Posted amount
EN	MASTERCARD-TH FIRST FINANCIAL A0620-0061-03-433.040	220707	5597					12.61
EN	MASTERCARD-TH FIRST FINANCIAL A0620-0061-04-444.010	220707	5597					231.00
EN	MCCALISTER BROS, INC A0620-0000-00-202.010	220708	11797					23,837.00CR
EN	MCCALISTER BROS, INC A0620-0061-03-432.010	220708	11797					23,837.00
EN	SOUTHWESTERN PETROLEUM CORP. A0620-0000-00-202.010	220709	1024					306.80CR
EN	SOUTHWESTERN PETROLEUM CORP. A0620-0061-02-422.005	220709	1024					268.80
EN	SOUTHWESTERN PETROLEUM CORP. A0620-0061-03-433.040	220709	1024					38.00
EN	TPI BILLING SOLUTIONS, LLC A0620-0000-00-202.010	220710	4549					33,755.25CR
EN	TPI BILLING SOLUTIONS, LLC A0620-0061-03-432.038	220710	4549					33,755.25
EN	TPI BILLING SOLUTIONS, LLC A0620-0000-00-202.010	220711	4549					5,286.64CR
EN	TPI BILLING SOLUTIONS, LLC A0620-0061-03-432.038	220711	4549					5,286.64
EN	VERIZON WIRELESS A0620-0000-00-202.010	220712	14991					240.14CR
EN	VERIZON WIRELESS A0620-0061-03-432.010	220712	14991					240.14
EN	VIGO COUNTY RECORDER A0620-0000-00-202.010	220713	13109					1,900.00CR
EN	VIGO COUNTY RECORDER A0620-0061-03-432.010	220713	13109					1,900.00
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0000-00-202.010	220714	1399					7,881.00CR
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0061-03-437.010	220714	1399					7,881.00
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0000-00-202.010	220715	1399					2,478.40CR
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0061-03-437.010	220715	1399					2,478.40
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0000-00-202.010	220716	1399					32,547.00CR
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0061-03-437.010	220716	1399					32,547.00
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0000-00-202.010	220717	1399					2,646.25CR
EN	WABASH VALLEY MOTOR & MACHINE, A0620-0061-03-437.010	220717	1399					2,646.25

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City of Terre Haute  
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Jnl	Period	Account	Description	Debit	Credit	Balance
EN		Encumbrance Journal				
	07 2018	A0620-0000-00-202.010	ACCOUNTS PAYABLE		120,925.65	
	07 2018	A0620-0061-00-347.090	USER FEES	1,396.83		
	07 2018	A0620-0061-02-422.005	OPERATING SUPPLIES	565.73		
	07 2018	A0620-0061-02-423.015	REPAIR SUPPLIES	54.87		
	07 2018	A0620-0061-03-432.010	SERVICES CONTRACTUAL	33,205.64		
	07 2018	A0620-0061-03-432.038	CS Billing	39,041.89		
	07 2018	A0620-0061-03-433.040	FREIGHT	50.61		
	07 2018	A0620-0061-03-436.010	ELECTRIC UTILITY	76.24		
	07 2018	A0620-0061-03-436.030	WATER UTILITY	750.19		
	07 2018	A0620-0061-03-437.010	EQUIPMENT REPAIR & MAINTENANCE	45,552.65		
	07 2018	A0620-0061-04-444.010	PURCHASE OF EQUIPMENT	231.00		
		Total for Financial System		120,925.65	120,925.65	.00

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*Tim Adams*  
*John*  
*Paul*  
*Chris En*

## Sanitary District Claims July 17, 2018

### SANITARY BOND FUND

#### WWUTILITY / 0620-0061- Services Contractual

IUPPS Sewer Locates/May 2018 \$ 1,414.55

#### WWUTILITY / 0620-0061- Publication of Legal Notices

#### WWUTILITY / 0620-0061- Drainage Improvements

#### WWUTILITY / 0620-0061- Drainage Ways

Blann & Son Ditch Main/6/4/18-6/15/18 \$ 17,696.01

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### MAIN LIFT STATION/ SRF FUND

### PHOSPHORUS REMOVAL/ SRF FUND

### SRF INTEREST FUND

### CSO/LTCP P23

*Jim Adams*  
*Chris E.*  
*Joe Green*  
*Jim Adams*

# Wastewater Utility Claims      July 17, 2018

## 347.090 User Fees

James Champion	Sewer Bill Refund	\$524.78
Kathryn Berlin	Sewer Bill Refund	\$122.05
Keymark Development	Sewer Bill Refund	\$750.00
Sam Auman	Sewer Bill Refund	\$264.45
TOTAL		\$1,661.28

## Personnel Services

### 414.010 Laundry & Uniforms

Embroidery Express Inc.	Polo Shirts	\$670.00
TOTAL		\$670.00

### 414.020 Protective Clothing

Boot City	Safety Boots - Debra B.	\$135.99
Menards	Dust Masks	\$7.38
TOTAL		\$143.37

## Operating Supplies

### 422.005 Operational Supplies

American Welding & Gas Inc.	Propane	\$32.98
Bio Chem Inc.	Polymer	\$16,831.50
Earl C. Rodgers & Associates Inc.	Flags	\$118.96
Erney Safe & Lock Co Inc.	Duplicate Keys	\$9.00
John Deere Financial Inc.	Chilly Pads	\$286.59
Lawson Products	Cable Ties, Heat Shrink Tube	\$83.11
Lawson Products	Rubber Coating, Weed Killer	\$129.78
Lowe's	Dish Soap	\$17.06
Lowe's	Shop Towels	\$67.44
Mastercard	Thermal Paper - JWC Environmental	\$10.34
Menards	Grass & Weed Killer, Pinesol, Dish Soap, Etc.	\$73.52
N.E.W. Interstate Concrete, Inc.	Fiber	\$42.00
N.E.W. Interstate Concrete, Inc.	Fiber	\$45.50
Quality Automotive Dist. Corp.	Engine Prelube	\$12.36
S & G Excavating Inc.	Topsoil	\$199.40
Valley Electric Supply Corp.	Lightbulbs	\$7.50
Wabash Valley Goodwill Inc.	Wiping Rags	\$67.20
Wholesale Drainage Supply Inc.	Straw Blanket, Staples	\$164.45
TOTAL		\$18,198.69

### 422.010 Gas

Automated Fuels Inc.	Gas	\$2,987.78
TOTAL		\$2,987.78

### 422.020 Diesel

Automated Fuels Inc.	Diesel Fuel	\$2,408.16
TOTAL		\$2,408.16

## Other Supplies

### 422.110 Boc Gas

Airgas, Inc.	Acetylene, Oxygen	\$221.50
Praxair	Stargold	\$55.68
Praxair	Argon, Stargon, Nitrogen	\$59.29
TOTAL		\$336.47

### 422.130 Grease Supplies

Lowe's	Socket Set, Drywall Blades, Kneepads	\$23.71
TOTAL		\$23.71

### 422.160 Lab Supplies

Evoqua Water Technologies Inc.	Filters	\$825.60
TOTAL		\$825.60

## Rep./Maint. Supplies

### 423.015 Maint./Rep.

Coldwell & Company Inc.	V Belt	\$28.39
Coldwell & Company Inc.	V Belt, Hose	\$255.44
Complete Outdoor Equipment Company	Gaskets, Screws	\$15.72
Complete Outdoor Equipment Company	Engine To Deck Belt	\$39.78
Complete Outdoor Equipment Company	Windshield, Engine Oil Drain Hoses	\$493.29
Electrical Automation Services LLC	Electrical Supplies, Sonar Transmitter, Etc.	\$11,592.75
Lawson Products	Weatherpack Connectors, O Rings	\$461.56

Lawson Products	Washers, Screws, Etc.	\$312.50
Lawson Products	Screws, Washers, Hex Nuts	\$106.74
Lawson Products	Bow Shackles	\$121.30
Mastercard	Term Block Module, Etc. - JWC Environmental	\$54.87
McCord Tire Service Inc.	Alignment on a Police Vehicle	\$62.54
Menards	Screws	\$46.96
N.E.W. Interstate Concrete, Inc.	Limestone Air	\$552.00
N.E.W. Interstate Concrete, Inc.	Flowable Fill	\$1,963.00
N.E.W. Interstate Concrete, Inc.	Limestone Air	\$598.00
O'Reilly Auto Parts Inc.	Radiator	\$172.98
O'Reilly Auto Parts Inc.	Compressor	\$146.24
O'Reilly Auto Parts Inc.	Ignition Control Module	\$153.81
O'Reilly Auto Parts Inc.	Alternator	\$154.75
Powered Equipment & Repair	Belts	\$309.28
Power Train Companies Inc.	Air Filter	\$373.78
Quality Automotive Dist. Corp.	O-Rings, Washers, Valves, Etc.	\$93.45
Quality Automotive Dist. Corp.	Brake Caliper	\$118.69
Quality Automotive Dist. Corp.	Brake Caliper	\$118.69
Quality Automotive Dist. Corp.	Condenser Fan	\$93.27
Quality Automotive Dist. Corp.	Brake Hoses	\$32.58
Quality Automotive Dist. Corp.	Blower Motor	\$25.53
Quality Automotive Dist. Corp.	Blower Motor	\$26.06
Quality Automotive Dist. Corp.	Blower Motor	\$36.27
Quality Automotive Dist. Corp.	Accessory Plug, Fan	\$18.14
Quality Automotive Dist. Corp.	Fuel Filters, Air Filters	\$125.38
Quality Automotive Dist. Corp.	Clearance & Marker Lamp	\$4.40
Quality Automotive Dist. Corp.	Blower Motor Assembly	\$86.26
Quality Automotive Dist. Corp.	Disc Pad	\$41.59
Quality Automotive Dist. Corp.	Ignition Coils, Spark Plugs	\$144.00
Quality Automotive Dist. Corp.	Spark Plugs, Spark Plug Wire Set	\$38.06
Quality Automotive Dist. Corp.	Oil Filters	\$88.56
Quality Automotive Dist. Corp.	Fuel Filters, Oil Filters, Air Filter	\$99.28
Quality Automotive Dist. Corp.	Valve Cover Gasket	\$32.10
Quality Automotive Dist. Corp.	Coolant Filters	\$19.28
Quality Automotive Dist. Corp.	Ignition Coils, Spark Plugs	\$423.84
Quality Automotive Dist. Corp.	Coupler	\$33.99
Quality Automotive Dist. Corp.	Fan Clutch, Sensors	\$117.64
Quality Automotive Dist. Corp.	Gasket	\$0.83
Quality Automotive Dist. Corp.	Timing Cover Set	\$42.46
Quality Automotive Dist. Corp.	Serpentine Belt	\$24.71
S & K Equipment Company	Adapter Card, Profibus Card, Etc.	\$3,696.58
Southwest Auto Company	Intake Tube	\$35.00
Stoops Freightliner Quality Trailer	Vactor Filters	\$161.74
Town & Country Ford	Engine Control Module	\$531.78
Utility Pipe Sales Company Inc.	Sewer Fittings, Couplings	\$2,576.61
Valley Electric Supply Corp.	Circuit Breakers, Relays, Locknuts, Etc.	\$190.63
Valley Electric Supply Corp.	Adapter, Clamp	\$20.37
Valley Electric Supply Corp.	Conduit, Wire, Locknuts, Etc.	\$837.62
Vigo Dodge Inc	Heater Return Tube	\$106.50
TOTAL		\$28,057.57

#### Professional Services

##### 432.010 Services Contractual

American Water Capital Corp.	Municipality Shut Offs	\$5,525.00
Barnes & Thornburg LLP	Legal Services	\$595.00
B & B Food Distributors Inc.	Installed Ice Maker	\$100.00
Electrical Automation Services LLC	Hosted Access Control	\$111.00
Electrical Automation Services LLC	IT Services	\$1,592.50
Electrical Automation Services LLC	IT Services	\$24,225.00
FirsTech, Inc.	Monthly Maintenance Fee, Processed Payments	\$379.25
Koorsen Fire & Security Inc.	Service Call to Inspect Fire Alarm System	\$415.45
McGuire Excavating & Trucking Inc.	Disposal Loads	\$50.00
McGuire Excavating & Trucking Inc.	Disposal Loads	\$50.00
Quality Automotive Dist. Corp.	Computer Program Fees	\$203.00
Robert L. Hoopingarner	Disposal Loads	\$280.00
Time Warner Cable	Internet Service	\$2,562.25
United Refrigeration Inc.	Service Charge	\$4.99
Valley Electric Supply Corp.	Finance Charge	\$26.62
Verizon Wireless	Air Cards for Lift Stations	\$240.14
Vigo County Recorder's Office	Recording / Releasing Liens	\$1,900.00

TOTAL \$38,260.20

**432.038 CS-Billing**

TPI Billing Solutions LLC	Printed Utility Bills	\$33,755.25
TPI Billing Solutions LLC	Printed Past Due Notices	\$5,286.64
	<b>TOTAL</b>	<b>\$39,041.89</b>

**432.071 Lab Testing**

McCoy & McCoy Laboratories Inc.	Lab Testing	\$150.00
Pace Analytical Services Inc.	Lab Testing	\$224.00
Pace Analytical Services Inc.	Lab Testing	\$31.00
Pace Analytical Services Inc.	Lab Testing	\$52.00
	<b>TOTAL</b>	<b>\$457.00</b>

**432.072 Sycamore Ridge Landfill**

Sycamore Ridge Landfill	Street Sweepings	\$1,021.83
	<b>TOTAL</b>	<b>\$1,021.83</b>

**432.073 Biosolids to Landfill**

Sycamore Ridge Landfill	Biosolids to Landfill	\$7,635.60
	<b>TOTAL</b>	<b>\$7,635.60</b>

Comm./Transportation

**433.020 Postage**

United Parcel SVC	Postage	\$4.23
	<b>TOTAL</b>	<b>\$4.23</b>

**433.040 Freight**

Jack Doheny Companies Inc.	Freight	\$23.33
Lawson Products	Freight	\$33.92
Lawson Products	Freight	\$43.25
Lawson Products	Freight	\$18.80
Lawson Products	Freight	\$8.92
Mastercard	Freight - JWC Environmental	\$12.61
Powered Equipment & Repair	Freight	\$22.66
S & K Equipment Company	Freight	\$13.43
State Safety & Compliance LLC	Freight	\$184.92
Wabash Valley Motor & Machine Inc.	Freight	\$147.44
	<b>TOTAL</b>	<b>\$509.28</b>

Insurance

**435.030 Ins. ( Prop. & Casualty)**

ONI Risk Partners Inc.	Policy Renewal - 4733379	\$23,212.32
ONI Risk Partners Inc.	Policy Renewal - 4733380	\$2,732.08
	<b>TOTAL</b>	<b>\$25,944.40</b>

Utility Services

**436.010 Electric Utility**

Duke Energy	Electric Utility	\$76.24
Duke Energy	Electric Utility	\$23.39
Duke Energy	Electric Utility	\$92.88
Duke Energy	Electric Utility	\$79.99
Duke Energy	Electric Utility	\$379.14
Duke Energy	Electric Utility	\$12,987.47
Duke Energy	Electric Utility	\$186.98
Duke Energy	Electric Utility	\$12,892.35
Duke Energy	Electric Utility	\$28,828.21
	<b>TOTAL</b>	<b>\$55,546.65</b>

**436.020 Gas Utility**

Vectren	Gas Utility	\$655.98
Vectren	Gas Utility	\$46.00
Vectren	Gas Utility	\$50.52
Vectren	Gas Utility	\$46.00
Vectren	Gas Utility	\$54.55
Vectren	Gas Utility	\$46.00
	<b>TOTAL</b>	<b>\$899.05</b>

**436.030 Water Utility**

IN American Water	Water Utility	\$398.17
IN American Water	Water Utility	\$258.52
IN American Water	Water Utility	\$46.97
IN American Water	Water Utility	\$46.53
IN American Water	Water Utility	\$122.31
IN American Water	Water Utility	\$57.39
	<b>TOTAL</b>	<b>\$929.89</b>

Rep./Maint

**437.010 Equipment Repair**

Jack Doheny Companies Inc.  
 Jones Fabrication & Machining Inc.  
 Praxair  
 Wabash Valley Motor & Machine Inc.

Repaired a Vactor \$222.20  
 Repaired a Part for an Auger \$300.00  
 Repaired a Cutting Torch \$87.20  
 Inspected & Repaired Exhaust Fans \$1,587.00  
**TOTAL \$2,196.40**

**437.030 Vehicle Rep./Maint.**

McCord Tire Service Inc. Installed New Tires & An Alignment \$349.22  
 McCord Tire Service Inc. Wheel Balance \$20.00  
 Mike's Stop & Shine Car Washes \$63.00  
**TOTAL \$432.22**

**Machinery & Equipment**

**444.010 Equipment Purchase**

B & B Food Distributors Inc. Ice Maker \$2,687.00  
 B & B Food Distributors Inc. Ice Maker Parts \$1,159.00  
 Christopher A. Poe Snap on Tools Impact Wrench, Jump Starter \$771.90  
 Lawson Products Drill Bit \$94.06  
 Lawson Products Drill Bit \$19.31  
 Marlin Business Bank Skid Steer, Etc. \$6,364.45  
 Mastercard Mag. Stripe Reader - JWC Environmental \$231.00  
 Menards Wrench, Garden Hose, Shovels, Etc. \$83.76  
**TOTAL**

**444.180 Safety Equipment**

State Safety & Compliance LLC Pulley, Carabiner, Tripod, & Hoist \$1,992.40  
**TOTAL \$1,992.40**

**Grand Total = \$241,594.15**

7/05/2018 Check Run \$51,229.20  
 7/12/2018 Check Run \$141,875.66  
 7/17/2018 Check Run \$48,489.29

## **Sanitary District Claims July 17, 2018**

### **SANITARY BOND FUND**

#### **WWUTILITY / 0620-0061- Services Contractual**

IUPPS Sewer Locates/May 2018 \$ 1,414.55

#### **WWUTILITY / 0620-0061- Publication of Legal Notices**

#### **WWUTILITY / 0620-0061- Drainage Improvements**

#### **WWUTILITY / 0620-0061- Drainage Ways**

Blann & Son Ditch Main/6/4/18-6/15/18 \$ 17,696.01

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### **MAIN LIFT STATION/ SRF FUND**

### **PHOSPHORUS REMOVAL/ SRF FUND**

### **SRF INTEREST FUND**

### **CSO/LTCP P23**



BOARD OF SANITARY COMMISSIONERS  
TERRE HAUTE SANITARY DISTRICT

AMENDED AND RESTATED BOND RESOLUTION NO. 2

An Amended and Restated Resolution of the Board of Sanitary Commissioners of the Terre Haute Sanitary District concerning the construction of additions and improvements to the sewage works system of the Terre Haute Sanitary District, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said sewage works system, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing resolutions inconsistent herewith

WHEREAS, this Amended and Restated Bond Resolution amended and restates the Bond Resolution No. 4-2017 in its entirety; and

WHEREAS, the Board of Sanitary Commissioners (the "Board") of the Terre Haute Sanitary District (the "Sanitary District") of the City of Terre Haute, Indiana (the "City") has heretofore established, constructed and financed its sewage works, and now owns and operates said sewage works pursuant to Indiana Code 36-9-25, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the "Act") (all references hereinafter to the Indiana Code are designated as "IC" followed by the applicable code section or sections); and

WHEREAS, the Board finds that certain additions and improvements to said works are necessary; that certain reports containing general plans, specifications, descriptions and estimates have been prepared and filed by the engineers employed by the Sanitary District for the construction of said additions and improvements (as more fully set forth in Exhibit A hereto and made a part hereof) (the "Projects"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management (the "Department"), and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Board as required by law; and

WHEREAS, on July 1, 2017, the Board, being the governing body of the Sanitary District, adopted a Declaratory Resolution declaring that it is necessary for the public health and welfare and will be of public utility and benefit to construct the Projects; and

WHEREAS, on August 15, 2017, after notice and public hearing thereon, confirmed the Declaratory Resolution by the adoption of a Confirmatory Resolution; and

WHEREAS, the Sanitary District will advertise and receive (or has advertised and received) bids for the construction of a portion of the Projects; said bids will be subject to the Sanitary District's determination to construct the Projects and subject to the Sanitary District obtaining funds to pay for the Projects; that on the basis of the estimates of its engineers, the cost

of the Projects, as defined in IC 36-9-1-8, including estimated incidental expenses, is in the estimated amount of Eighty-Five Million Dollars (\$85,000,000); and

WHEREAS, the Board finds that the Sanitary District intends to finance costs of the Projects in the amount not to exceed Seventy Million Dollars (\$70,000,000) from the proceeds of special taxing district bonds of the Sanitary District (the "2018 Special Taxing District Bonds"), to be issued in one or more series under a separate bond resolution of the Sanitary District (the "Special Taxing District Bond Resolution"), and that it is necessary to finance the costs of the Projects, to the extent not financed by such 2018 Special Taxing District Bonds, by the issuance of revenue bonds of the Sanitary District, in one or more series, in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000) and, if necessary, bond anticipation notes (the "BANs"); and

WHEREAS, in any event the combined principal amount of the 2018 Special Taxing District Bonds and the bonds herein authorized issued to finance costs of the Projects shall not exceed Eighty-Five Million Dollars (\$85,000,000); and

WHEREAS, to the extent such 2018 Special Taxing District Bonds or any other future special taxing district bonds of the Sanitary District, payable from Net Revenues of the sewage works on a junior and subordinate basis (collectively, inclusive of the 2018 Special Taxing District Bonds, such being "Special Taxing District Bonds") to the payment of the principal of and interest on the Bonds (as hereinafter defined), the Outstanding Parity Bonds (as hereinafter defined) and any future bonds of the Sanitary District payable solely from the Net Revenues, the Indiana Finance Authority (the "Authority") shall have consented to the issuance of such Special Taxing District Bonds to the extent any Bonds or Outstanding Parity Bonds are then held by the Authority; and

WHEREAS, the Board has authorized the making of and determined it intends to make interfund loans as the means by which Net Revenues of the sewage works may be made available on a junior and subordinate basis to pay any special taxing district bonds of the Sanitary District (the "Special Taxing District Bonds"), including the 2018 Special Taxing District Bonds (the "STDB Interfund Loans"), which STDB Interfund Loans would be made from the hereinafter Special Taxing District Bond Account to the hereinafter STBB Accounts pursuant to the Board's Resolution No. 1, 2018, adopted June 5, 2018 (such resolution, including as from time to time amended, supplement or replaced, an "Interfund Loans Resolution"); and

WHEREAS, the Board finds that there are outstanding bonds payable out of the Net Revenues (as hereinafter defined) of the Sanitary District's sewage works designated as (i) the City of Terre Haute, Indiana Sanitary District Revenue Bonds of 2011, Series A and B (collectively, the "2011 Bonds"), dated March 25, 2011, originally issued in the aggregate principal amount of \$14,025,000, now outstanding in the aggregate principal amount of \$10,821,000 and maturing semiannually on January 1 and July 1 over a period ending January 1, 2032, (ii) the City of Terre Haute, Indiana Sanitary District Revenue Bonds, Series 2012A (the "2012A Bonds"), dated December 13, 2012, originally issued in the aggregate principal amount of \$139,371,000, and now outstanding in the aggregate principal amount of \$129,553,000 and maturing semiannually on January 1 and July 1 over a period ending January 1, 2036, (iii) the

City of Terre Haute, Indiana Sanitary District Revenue Bonds, Series 2012B (the "2012B Bonds"), dated December 13, 2012, originally issued in the aggregate principal amount of \$1,444,000, and now outstanding in the aggregate principal amount of \$1,170,810 and maturing semiannually on January 1 and July 1 over a period ending January 1, 2033 and (iv) the City of Terre Haute, Indiana Sanitary District Refunding Revenue Bonds, Series 2015 (the "2015 Bonds"), dated January 20, 2015, originally issued in the aggregate principal amount of \$22,110,000, and now outstanding in the aggregate principal amount of \$18,430,000 and maturing semiannually on January 1 and July 1 over a period ending January 1, 2030, which 2011 Bonds, 2012A Bonds, 2012B Bonds and 2015 Bonds (collectively, the "Outstanding Parity Bonds") constitute a first charge on the Net Revenues of the sewage works; and

WHEREAS, the resolutions authorizing the issuance of the Outstanding Parity Bonds permit the issuance of additional bonds ranking on a parity with the Outstanding Parity Bonds provided certain financial conditions can be met (collectively, the "Parity Tests"); and

WHEREAS, the Board finds, based upon the advice of its municipal advisor, that the Parity Tests can be met with respect to the bonds to be issued pursuant to this resolution and, accordingly, the bonds to be issued pursuant to this resolution will constitute a first charge against the Net Revenues of the sewage works, on a parity with the Outstanding Parity Bonds, and are to be issued subject to the provisions of the laws of the Act and the terms and restrictions of this resolution; and

WHEREAS, the Special Taxing District Bonds will payable solely out of a special tax to be levied and collected on all of the taxable property in the Sanitary District; provided, however, that if and to the extent tax credits provided to taxpayers pursuant to IC 6-1.1-20.6 should limit the Sanitary District's collection of the levy to an amount below that necessary to pay debt service on such Special Taxing District Bonds, then such Special Taxing District Bonds may be payable from Net Revenues of the sewage works, junior and subordinate to (i) the payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any future bonds of the Sanitary District payable solely from the Net Revenues and (ii) the funding requirements of any reserve account securing any such revenue bonds; and

WHEREAS, the Board finds that there are outstanding certain bond anticipation notes of the Sanitary District's sewage works designated as the City of Terre Haute, Indiana Taxable Sanitary District Bond Anticipation Notes, Series 2016, dated February 10, 2016, originally issued in the aggregate principal amount of \$6,000,000 (the "2016 BANs") which are not secured by the Net Revenues of the sewage works, except as to interest only on a junior and subordinate basis to the Outstanding Parity Bonds; and

WHEREAS, the Board desires to authorize the issuance of BANs hereunder, if necessary, in one or more series, payable from the proceeds of the bonds issued hereunder and, and to authorize the refunding of the BANs, if issued; and

WHEREAS, the Board may enter into a Financial Assistance Agreement with the Authority as part of its wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (the "SRF Program"), pertaining to the Projects and the

financing of the Projects (the "Financial Assistance Agreement") if any bonds or BANs are sold to the SRF Program; and

WHEREAS, the Sanitary 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 said bonds and BANs have been complied with in accordance with the provisions of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SANITARY COMMISSIONERS OF THE TERRE HAUTE SANITARY DISTRICT THAT:

Section 1. Authorization of Projects. The Sanitary District will proceed with the construction of the Projects as set out in Exhibit A hereto and in the Declaratory Resolution, as confirmed by the Confirmatory Resolution, in accordance with the general plans, specifications, descriptions and estimates heretofore prepared and filed by consulting engineers employed by the Sanitary District, which general plans, specifications, descriptions and estimates are now on file or will be subsequently placed on file in the office of the Board of Sanitary Commissioners and be open for public inspection pursuant to IC 36-1-5-4, and are hereby adopted and approved, and by reference made a part of this resolution as fully as if the same were attached hereto and incorporated herein. The estimated cost of construction of the Projects is expected to not exceed Eighty-Five Million Dollars (\$85,000,000), plus investment earnings on the BAN and bond proceeds. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this resolution shall be construed to mean the Treatment Works, as defined in the Financial Assistance Agreement, and includes the existing sewage works system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Projects shall be constructed in accordance with the general plans, specifications, descriptions and estimates heretofore mentioned, which Projects are hereby approved. The Projects shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of BANs. The Sanitary District hereby authorizes the Controller of the City (the "Controller") to prepare and issue, if necessary, the BANs, in one or more series, for the purpose of procuring interim financing to apply on the cost of (i) the Projects and (ii) costs incurred in the issuance of the BANs. The BANs may be issued in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000) to be designated "Sanitary District Bond Anticipation Notes, Series 201\_\_", to be completed with the year in which issued and appropriate series designation, if any. The BANs shall be sold at not less than 99% of their par value, shall be numbered consecutively from 1 upward, shall be in any multiple of Five Thousand Dollars (\$5,000) or, if sold to the Authority as part of the SRF Program, One Dollar (\$1), as designated in the hereinafter defined Purchase Agreement, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 4.5% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon redemption or maturity. Notwithstanding the foregoing, the combined principal amount of

the 2018 Special Taxing District Bonds issued pursuant the Special Taxing District Bond Resolution and the Bonds issued pursuant this resolution, each as authorized to finance costs of the Projects, shall not exceed Eighty-Five Million Dollars (\$85,000,000).

Each series of BANs will mature no later than two (2) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 4.5% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Payment on the BANs may be made in installments.

The BANs shall be issued pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 if sold to the Authority, pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The Sanitary District shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of the bonds pursuant to and in the manner prescribed by the Act.

Section 3. Issuance of Bonds. The Sanitary District shall issue its bonds, in one or more series, in the aggregate principal amount not to exceed Twenty Million Dollars \$20,000,000, to be designated "Sanitary District Revenue Bonds, Series 201\_ \_", to be completed with the year in which issued and appropriate series designation, if any (the "Bonds"), for the purpose of procuring funds to apply on the cost of (i) the Projects, (ii) refunding the BANs, if issued, and (iii) issuance costs. The Bonds shall be issued and sold at a price not less than 100% of the par value thereof, in fully registered form in denominations of One Dollar (\$1) or integral multiples thereof if sold to the Authority as part of its SRF Program, or sold at a price not less than 99% of the par value thereof, in fully registered form in denominations of Five Thousand Dollars (\$5,000) each or integral multiples thereof if sold to any other purchaser. The Bonds shall be numbered consecutively from 1 up, originally dated as of the date of delivery, and shall bear interest at a rate or rates not exceeding 4.5% per annum (the exact rate or rates to be determined by bidding or through negotiation with the Authority). Interest is payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or the first July 1 after the date of issuance of the Bonds, as determined by the Controller with the advice of the Sanitary District's municipal advisor. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature semiannually on January 1 and July 1 or be subject to mandatory sinking fund redemption over a period ending no later than January 1, 2040. For any Bonds sold to the Authority as part of its SRF Program, the Bonds shall mature in such amounts that will allow the Sanitary District to meet the coverage and/or amortization requirements of the SRF Program and the debt service schedule for any such Bonds shall be finalized and set forth in the Financial Assistance Agreement. For any Bonds not sold to the Authority as part of its SRF Program, such Bonds may mature in amounts that produce (i) as level annual debt service as practicable with \$5,000 denominations or (ii) as level annual debt service as practicable with \$5,000 denominations and taking into account the debt service on the Outstanding Parity Bonds.

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

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues, including System Development Charges (as hereinafter defined), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, excluding payments in lieu of property taxes ("PILOTs")) of the sewage works of the Sanitary District, on a parity with the payment of the Outstanding Parity Bonds. 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; provided, however, that any System Development Charges that are enacted under IC 36-9-23-29 (or similar provision applicable to the Act), shall be considered as Net Revenues of the sewage works.

Each series of Bonds issued hereunder shall rank of a parity with any other Bonds issued hereunder for all purposes, including the pledge of Net Revenues under this resolution.

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

Notwithstanding anything contained herein, the Sanitary District may accept any other forms of financial assistance, as and if available, from the SRF Program (including without limitation 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). 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 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 issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

The Mayor and Controller are authorized, on behalf of the City, to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the "Registrar" or "Paying Agent"). The Controller is hereby authorized, on behalf of the Board, to enter into such agreements or understandings with such institution as will enable the institution to perform

the services required of a Registrar and Paying Agent. The Controller 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 Sewage Works Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges.

As to the BANs and as to the Bonds, if sold to the Authority as part of its SRF Program or any other purchaser that does not object to such designation, the Controller may serve as Registrar and Paying Agent and, in that case, is hereby charged with the duties of a Registrar and Paying Agent.

If any Bonds or BANs 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 as part of its SRF Program is the owner of the Bonds or BANs, such Bonds or BANs shall be presented for payment as directed by the Authority.

If such Bonds and BANs are not sold to the Authority as part of its SRF Program or if wire transfer payment is not required, the principal of the Bonds and the principal and interest on the BANs shall be payable at the principal corporate trust office of the Paying Agent. All payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each interest payment date ("Record Date"), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the BANs and Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

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

including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the City 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 day period or upon the earlier appointment of a successor registrar and paying agent by the City. Any such notice to the City may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor registrar and paying agent. The City shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the City, the Controller is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Controller is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sewage Works Sinking Fund continued in Section 15 hereof. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

Interest on Bonds sold to the Authority as part of its SRF Program shall be paid from the date or dates of payments made by the Authority as part of its purchase of the Bonds pursuant to the Financial Assistance Agreement. Interest on Bonds sold to any other purchaser which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

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



With respect to the Bonds registered in the register kept by the Registrar in the name of Cede & Co., as nominee of the Depository Trust Company, the Board, the City and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, Cede & Co., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

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

Upon receipt by the Board of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Board kept by the Registrar in the name of Cede & Co., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this resolution.

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

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

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

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

Section 4. Redemption of BANs. The BANs are prepayable by the Sanitary District, in whole or in part, on any date, upon 20 days' notice to the owner of the BANs, without any premium.

Section 5. Redemption of Bonds. The Bonds are redeemable at the option of the Sanitary District, but no sooner than ten years after their date of delivery, or any date thereafter, on sixty (60) days' notice if sold to the Authority as part of its SRF Program, or on thirty (30) days' notice if sold to any other purchaser, in whole or in part, in inverse order of maturity, if sold to the Authority as part of its SRF Program, or in the order of maturity as determined by the Sanitary District if sold to any other purchaser, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Controller, with the advice of the Sanitary District's municipal advisor, prior to the sale of the Bonds. In any event, if the Bonds are sold to the SRF Program, the prior written consent of the Indiana Finance Authority, so long as it shall hold the Bonds, shall be required for any optional redemption of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Sanitary District, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each authorized denomination amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

Notice of redemption shall be given not less than sixty (60) days for Bonds sold to the Authority as part of its SRF Program and not less than thirty (30) days for Bonds sold to any other purchaser prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the Sanitary District as of the date which is sixty-five (65) days for Bonds sold to the Authority as part of its SRF Program and forty-five (45) days for Bonds sold to any other purchaser prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Sanitary 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.

Section 6. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Controller, and attested by the manual or facsimile signature of the Clerk of the City, who shall affix the seal of the City to each of the BANs and Bonds manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the Bonds. The Bonds must be authenticated by an authorized officer of the Registrar.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the sewage works of the Sanitary District, on a parity with the Outstanding Parity Bonds. The Sanitary District shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of said works, and the Bonds shall not constitute an indebtedness or general obligation of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 7. 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 thereof:

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

NO. \_\_\_\_

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF VIGO

CITY OF TERRE HAUTE  
SANITARY DISTRICT REVENUE BOND, SERIES 201 \_\_\_\_

Interest Rate	[Maturity Date]	Original Date	Authentication Date	[CUSIP]
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REGISTERED OWNER:

PRINCIPAL SUM:

The City of Terre Haute (the "City"), in Vigo County, State of Indiana, for and on behalf of the Sanitary District of the City (the "Sanitary District"), for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, from the source and in the manner herein provided, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, or its assigns,] on [the Maturity Date set forth above] OR [on January 1 and July 1 on the dates and in the amounts as set forth on Exhibit A attached hereto] (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from [the dates of payment made on this Bond] OR [the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_ 15, 201\_, in which case it shall bear interest from the Original Date,] which interest is payable semiannually on the first days of January and July of each year, beginning on \_\_\_\_\_ 1, 201\_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

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

This Bond shall not constitute an indebtedness or general obligation of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. The Sanitary District shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the hereinafter defined Net Revenues.

This Bond is [the only] one of an authorized issue of Bonds of the Sanitary District, acting in the name of the City, [[to be] [issued in series] [of like date, tenor and effect, except as to numbering, interest rate, and dates of maturity,] in the total amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "Bonds") for this series, numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the Sanitary District's sewage works[, to refund interim notes issued in anticipation of the Bonds,] and to pay incidental expenses, all as more particularly described in a Declaratory Resolution adopted on August 1, 2017, as confirmed by a resolution adopted on August 15, 2017, which bonds are authorized by Amended and Restated Resolution No. \_\_\_\_\_ adopted by the Board of Sanitary Commissioners of the Sanitary District on the \_\_\_\_ day of \_\_\_\_\_, 2018 (the "Bond Resolution"), and in strict compliance with the provisions of Indiana Code 36-9-25, as in effect on the issue date of the Bonds (the "Act").

[Reference is hereby made to the Financial Assistance Agreement (the "Financial Assistance Agreement") between the Sanitary District and the Authority concerning certain terms and covenants pertaining to the sewage works project and the purchase of this Bond as part of the wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10.]

Pursuant to the provisions of the Act and the Bond Resolution, the principal and interest of this Bond and all other Bonds of said issue[, including the Sanitary District Revenue Bonds, Series 201\_\_ (the "Series 201\_\_ Bonds")] and any bonds hereafter issued on a parity therewith, are payable from the Sewage Works Sinking Fund (continued by the Bond Resolution) to be provided from the Net Revenues (defined as the gross revenues, inclusive of System Development Charges (as defined in the Bond Resolution), after the deduction only for the payment of the reasonable expenses of operation, repair and maintenance, excluding payments in lieu of property taxes) of the sewage works of the Sanitary District. The Bonds of the issue of which this Bond ranks on a parity with the [Series 201\_\_ Bonds and] the Outstanding Parity Bonds (as defined and more particularly described in the Bond Resolution). The Sanitary District reserves the right to issue additional bonds on a parity with the Bonds of this issue, as provided in the Bond Resolution.

The Sanitary District irrevocably pledges the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by the Bond Resolution, of which this is one, and any bonds ranking on a parity therewith, including the [Series 201\_\_ Bonds and] Outstanding Parity Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)] OR [operation, repair and maintenance] of the sewage works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Bond Resolution. If the Sanitary District or the proper officers of the Sanitary District shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to

administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The Sanitary District further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount to [create and] maintain the reserve required by the Bond Resolution. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the [Series \_\_\_ Bonds and] Outstanding Parity Bonds.

The Bonds of this issue maturing on \_\_\_\_\_ 1, 20\_\_, and thereafter, are redeemable at the option of the Sanitary District on \_\_\_\_\_ 1, 20\_\_, or any date thereafter, on [sixty (60)] [thirty (30)] days' notice, in whole or in part, in [inverse] [the] order of maturity [as determined by the Sanitary District] and by lot within a maturity, at face value together with the following premiums:

2% if redeemed on \_\_\_\_\_ 1, 20\_\_ or thereafter  
on or before \_\_\_\_\_, 20\_\_;  
1% if redeemed on \_\_\_\_\_ 1, 20\_\_ or thereafter  
on or before \_\_\_\_\_, 20\_\_;  
0% if redeemed on \_\_\_\_\_ 1, 20\_\_, or thereafter  
prior to maturity;

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

[The prior written consent of the Indiana Finance Authority shall be necessary prior to any optional redemption of the Bonds.]

[The Bonds maturing on \_\_\_\_\_ 1, \_\_ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

<u>Term Bond</u>		<u>Term Bond</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
	*		*

\*Final Maturity]

Each [One Dollar (\$1)][Five Thousand Dollar (\$5,000)] principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. If less than an entire maturity is called for redemption, the Bonds to be called shall be selected by lot by the Registrar. [If some Bonds are to be redeemed by optional redemption and mandatory sinking

fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the Sanitary District, as of the date which is [sixty-five (65)][forty-five (45)] days prior to such redemption date, not less than [sixty (60)][thirty (30)] days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Sanitary District. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

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

This Bond is transferable or exchangeable only upon the books of the Sanitary District kept for that purpose at the [principal corporate trust] office of the Registrar, by the registered owner hereof in person, or by its 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 its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Sanitary District, the Registrar and any 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.

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

This Bond is subject to defeasance prior to redemption or payment as provided in the Resolution referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE BOND RESOLUTION. The Bond Resolution may be amended without the consent of the owners of the Bonds as provided in the Bond Resolution.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of [\$1] [\$5,000] or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.




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

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

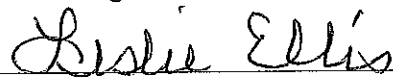
IN WITNESS WHEREOF, the Board of Sanitary Commissioners of the City of Terre Haute, in Vigo County, Indiana, has caused this Bond to be executed in the name of the City for and on behalf of the Terre Haute Sanitary District of such City, by the manual or facsimile signature of its Mayor, countersigned by the manual or facsimile signature of its Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk.

CITY OF TERRE HAUTE, INDIANA

[SEAL]

By:   
Mayor

Countersigned:

  
Controller

Attest:

\_\_\_\_\_  
Clerk

#### REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Bond Resolution.

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

By: \_\_\_\_\_  
Authorized Representative

## ASSIGNMENT

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

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

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

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

### [EXHIBIT A

To be completed on a separate page]

### *End of Bond Form*

Section 8. Preparation and Sale of BANs and Bonds; Official Statement; and Investment Letter. The Controller is hereby authorized and directed to have the BANs and Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute the BANs and Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this resolution, provided that at the time of said delivery the Controller shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 99% of the par value of the BANs, not less than 100% of the par value of the Bonds if sold to the Authority as part of its SRF Program and not less than 99% of the par value of the Bonds if sold to any other purchaser. The Sanitary District may receive payment for the Bonds and BANs in installments. Each series of Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special obligations of the Sanitary District payable solely out of the Net Revenues of the sewage works. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Projects hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the Sanitary District are hereby directed 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.

Distribution of an Official Statement (preliminary and final) for the Bonds, prepared on behalf of the Sanitary District, is hereby authorized and approved and the President of the Board (the "President"), the Mayor or the Controller is authorized and directed to execute the Official Statement on behalf of the City in a form consistent with this resolution. The President, the Mayor or the Controller is hereby authorized to designate the preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 (the "Rule") as promulgated by the Securities and Exchange Commission.

If any Bonds or BANs will be sold to the Authority, the President, the Mayor or the Controller is hereby authorized to provide information and materials to the Authority relating to the Sanitary District and the Bonds or BANs, as the case may be, for inclusion in any official statement relating to any financing of the Authority the proceeds of which will be used to acquire such Bonds or BANs.

Alternatively, in lieu of preparing and distributing an official statement, the Sanitary District may obtain a sophisticated investment letter from the purchaser of the Bonds or BANs at the time of delivery of the Bonds or BANs which satisfies applicable state and federal securities laws.

Section 9. Bond Sale Notice. If any Bonds are sold at a competitive bond sale, the Controller shall cause to be published either (i) a notice of bond sale in the *Tribune-Star*, the only newspaper published in the City, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in in the *Tribune-Star* and the *Court & Commercial Record*, all in accordance with IC 5-1-11 and IC 5-3-1. A notice or summary notice of sale may also be published in the *Court & Commercial Record* or in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller, the Board and the attorneys employed by the Sanitary District shall deem advisable, and any summary notice may contain any information deemed so advisable. Said notice may provide, among other things, that electronic bidding will be permitted, that the successful bidder shall be required to assist the Sanitary District in establishing the initial issue price of the Bonds, and that the successful bidder shall be required to submit a certified or cashier's check or a wire transfer to guarantee performance on the part of the bidder no later than 3:30 p.m. (Terre Haute time) on the next business day following the award. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then the proceeds of such deposit shall become the property of the Sanitary District and shall be considered as its liquidated damages on account of such default.

All bids for the Bonds shall be sealed and shall be presented either to the Controller, or at the office of the Sanitary District's municipal advisor on behalf of the Controller. The Controller, or the Sanitary District's municipal advisor on behalf of the Controller, shall continue to receive all bids offered until the hour on the day fixed in the notice, at which time and place the Controller, or the Sanitary District's municipal advisor on behalf of the Controller, shall open and consider the bids. Bidders for the Bonds will be required to name the rate or rates of interest

which the Bonds are to bear, not exceeding five percent (5.5%) or such lower maximum rate set forth in the notice, and such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-one hundredth (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 99% of the face amount of the Bonds will be considered. The opinion of Bose McKinney & Evans LLP, bond counsel of Indianapolis, Indiana, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the Sanitary District.

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

As an alternative to public sale, the Sanitary District may negotiate the sale of any series of Bonds to the Authority as part of its SRF Program. The Mayor and the Controller, individually rather than collectively, are hereby authorized to: (i) submit an application to the Authority as part of its SRF Program; (ii) execute one or more Financial Assistance Agreements 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 Controller consistent with the terms of this resolution. The substantially final form of Financial Assistance Agreement attached hereto as Exhibit B and incorporated herein by reference is hereby approved by the Board and the Mayor and Controller are hereby authorized to execute and deliver the same, and to approve any changes in form or substance to the Financial Assistance Agreement (and any amendments or supplements thereto), which are consistent with the terms of this resolution, such changes to be conclusively evidenced by its execution.

Section 10. Financial Records and Accounts; Continuing Disclosure. The Sanitary District shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of said sewage works and all disbursements made therefrom and all transactions relating to said sewage works. Copies of all such statements and reports shall be kept on file in the office of the Sanitary District.

If the Bonds are subject to the Rule, a Continuing Disclosure Undertaking Agreement ("Undertaking") for the Bonds is hereby authorized and approved by the Board, and the Mayor and Controller are hereby authorized and directed to complete, execute and attest the same on behalf of the Sanitary District. Notwithstanding any other provisions of this resolution, failure of the Sanitary District to comply with the Undertaking shall not be considered an event of default under the Bonds or this resolution.

If any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority, the Sanitary District shall establish and maintain the books and other financial records of the Projects (including the establishment of a separate account or subaccount for the Projects) and the sewage works in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 11. Pledge of Net Revenues. The interest on and the principal of the Bonds issued pursuant to the provisions of this resolution, and any bonds hereafter issued on a parity therewith, shall constitute a first charge on all the Net Revenues, on a parity with the Outstanding Parity Bonds, and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such Bonds, to the extent necessary for that purpose.

Section 12. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sewage Works Sinking Fund (the "Sinking Fund"). The remaining proceeds from the sale of the Bonds, to the extent not used to refund the BANs, if issued, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Sanitary District, in a special account or accounts to be designated as "Terre Haute Sanitary District, Sewage Works Construction Account" (the "Construction Account"). All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto and as applicable, pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act, or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Bose McKinney & Evans LLP shall be considered as a part of the cost of the Projects on account of which the BANs and Bonds are issued.

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

With respect to any Bonds sold to the Authority as part of its SRF Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the Sanitary District or (b) proceeds remain in the Construction Account and are not applied to the Projects (or any modifications or additions thereto approved by the Department and the Authority), the Sanitary 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 3 subject to and upon the terms set forth in the Financial Assistance Agreement.

Section 13. Revenue Fund. There is hereby continued a fund known as the Sewage Works Revenue Fund (the "Revenue Fund") into which there shall be deposited upon receipt, all income and revenues of the sewage works. This fund shall be maintained separate and apart from all other accounts of the City. All moneys deposited in the Revenue Fund may be invested in accordance with IC 5-1.3, as amended and supplemented, and as applicable, pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10.

Section 14. Operation and Maintenance Fund. There is hereby continued the Operation and Maintenance Fund (the "O&M Fund"). On the last day of each calendar month, a sufficient amount of moneys shall be transferred from the Revenue Fund to the O&M Fund so that the balance maintained in the O&M Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to the O&M Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the moneys in the O&M Fund shall be used for depreciation, replacements, improvements, extensions, additions or PILOTs. Any monies in the O&M Fund may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the Sanitary District which are payable from the Net Revenues of the sewage works.

Section 15. Sewage Works Sinking Fund. There is hereby continued the Sinking Fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works (including any System Development Charges that are not considered Net Revenues), and the payment of any fiscal agency charges in connection with the payment of bonds and interest. There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the sewage works to meet the requirements of the Bond and Interest Account and of the Debt Service Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Account equal the principal of and interest on all of the then outstanding bonds of the Sanitary District which are payable from the Net Revenues of the sewage works to their final maturity.

(a) Bond and Interest Account. There is hereby continued within the Sinking Fund the Bond and Interest Account. There shall be transferred, on the last day of each month, from the Revenue Fund and credited to the Bond and Interest Account an amount of the Net Revenues of said sewage works equal to at least one-sixth ( $1/6$ ) of the interest on all then outstanding bonds payable from the Net Revenues on the then next succeeding interest payment date and at least one-sixth ( $1/6$ ) of the principal of all then outstanding bonds payable from the Net Revenues on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment date shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the same become payable. The Sanitary District shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. There is hereby continued, within the Sinking Fund, the Debt Service Reserve Account (the "Reserve Account"). On the date of delivery of the Bonds, funds on hand of the Sanitary District, Bond proceeds, or a combination thereof may be deposited into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) the maximum annual debt service on the Bonds, the Outstanding Parity Bonds and any bonds issued in the future by the Sanitary District which are payable from the Net Revenues of the sewage works and which rank on a parity with the Bonds (the "Parity Bonds"), (ii) 125% of average annual debt service on the Bonds, the Outstanding Parity Bonds and any Parity Bonds, or (iii) 10% of the proceeds of the Bonds, the Outstanding Parity Bonds and any Parity Bonds (the "Reserve Requirement"); provided, however, that if any Bonds are sold to the Authority as part of its SRF Program, the Reserve Requirement shall equal the maximum annual debt service on the Bonds, the Outstanding Parity Bonds and any Parity Bonds.

If on the date of delivery of the Bonds no deposit is made to the Reserve Account, or the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement, beginning with the first month after the Bonds are delivered an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and as protection against default in the payment of principal of and interest on the Bonds, the Outstanding Parity Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds, the Outstanding Parity Bonds and any Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay interest and principal on the Bonds, the Outstanding Parity Bonds or any Parity Bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Sewage Works Improvement Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest or may be used for the repayment of installments of principal and interest on the then outstanding bonds which are then callable or prepayable, including any redemption premiums.

(c) Special Taxing District Bond Account. In addition to the foregoing, if necessary in connection with the sale of any Special Taxing District Bonds, there may be established in the Sinking Fund a separate account for purposes of setting aside any Net Revenues of the sewage works (including any System Development Charges) to provide for the payment of debt service on such Special Taxing District Bonds to the extent tax credits provided to taxpayers pursuant to IC 6-1.1-20.6 should cause the Sanitary District's collection of the levy for the payment of such debt service to be below the amount necessary to pay the then due debt service on the Special

Taxing District Bonds (such account, if so created, herein the "Special Taxing District Bond Account"). The terms and provisions of any such Special Taxing District Bond Account shall be as set forth in this Section 16(c) and in the Special Taxing District Bonds Resolution; provided, however, that the payments of any Net Revenues to any Special Taxing District Bonds from any Special Taxing District Bond Account, if established, shall in all instances be junior and subordinate to (i) the payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds, any Parity Bonds or any other bonds of the Sanitary District payable solely from the Net Revenues and (ii) the funding requirements of the Reserve Account securing any such revenue bonds. Amounts deposited in any Special Taxing District Bond Account shall be held therein pending transfer to a STBB Account (as hereinafter defined), which transfer shall be made in form of an STDB Interfund Loan on the date payment of principal of or interest on any Special Taxing District Bonds is due and payable. So long as any Special Taxing District Bonds are outstanding, unless otherwise directed by the terms of the Account Control Arrangement in effect from time to time (or unless the Authority shall have consented so long as any BANs or Bonds or any Outstanding Parity Bonds are held by the Authority), the Sanitary District shall cause, (i) all outstanding STDB Interfund Loans to be subject to repayment in full prior to the last business day of each June and, upon repayment, shall be deposited in the Special Taxing District Bond Account and (ii) to the extent the balance from time to time held in the Special Taxing District Bond Account on the first business day of each January and July is not required to permit the payment of principal of and interest on Special Taxing District Bonds then due and payable (after considering the balance held the STBB Account on the date), then any such excess balances held in the Special Taxing District Bond Account as of the second business day of each January and July shall be transferred from the Special Taxing District Bond Account to the Improvement Fund.

Section 16. Sewage Works Improvement Fund. There is hereby continued a special fund designated the "Sewage Works Improvement Fund" (the "Improvement Fund"). In the event all required payments into the O&M Fund and the Sinking Fund have been met to date, any excess Net Revenues may be transferred to the Improvement Fund for extensions, replacements, improvements and additions to the works or for any other purpose permitted by this resolution. No such transfer to the Improvement Fund shall be made, however, which will interfere with the requirements of the Sinking Fund or the accumulation of the required reserves therein.

All or any portion of the funds accumulated and reserved in the Improvement Fund shall be transferred to the Sinking Fund, if necessary, to prevent a default in the payment of principal of or interest on the bonds payable from the Sinking Fund or to eliminate any deficiencies in credits to or minimum balance in the Reserve Account or any Special Taxing District Bond Account. Moneys in the Improvement Fund also may be transferred to the O&M Fund to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works. If any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority, no moneys derived from the revenues of the sewage works shall be transferred to the General Fund of the City or be used for any purpose not connected with the sewage works; provided, however, the Sanitary District reserves the right to transfer PILOTs and to provide for the payment of the 2016 BANs as provided in Section 24(l) from the Improvement Fund, subject to the terms of any Account Control Arrangement (as hereinafter defined) entered into pursuant to Section 17, no more



frequently than semiannually (and not more than a PILOTs transfer amount that is consistent with its showing made when with complying with Section 21(b)) and only if all required transfers have been made to the Sinking Fund and the accounts of the Sinking Fund contain the required balances as of the date the PILOTs are paid, or as of the date the 2016 BANs are paid as provided in Section 24(l), applicable. In no event shall any PILOTs be treated as an expense of operation and maintenance, nor in any case shall it be payable from the O&M Fund or the Sinking Fund.

Section 17. Certain Funds and Accounts to be Held in Trust and/or Controlled.

(a) Any Fund or Account created, existing or continued pursuant to this resolution (collectively, the "Sewage Works Accounts") (or any fund or account created, existing or continued pursuant to a resolution related to any Special Taxing District Bonds including without limitation the Sanitary District Bond Fund (330), collectively, the "STBB Accounts") may be held in trust or controlled by use of one or more agreements and/or account designations with or at one or more financial institutions that may from time to time be holding any of the Sanitary District's revenues, tax receipts, funds or accounts (each an "Account Control Arrangement"), which shall be in a form, and with a financial institution, acceptable to the Authority.

(b) If the Sinking Fund and the accounts therein are so held in trust or otherwise controlled under any Account Control Arrangement, the Sanitary District (including the Controller on behalf of the Sanitary District) shall transfer the monthly required amounts of Net Revenues to the accounts thereof in accordance with Section 15 hereof, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the Sanitary District's outstanding bonds which are payable from Net Revenues (including Special Taxing District Bonds which are payable from Net Revenues on a junior and subordinate basis). If the Construction Account is so held in trust or otherwise controlled under any Account Control Arrangement, the Sanitary District (including the Controller on behalf of the Sanitary District) shall deposit the proceeds of the Bonds therein until such proceeds are applied consistent with this resolution and any related Financial Assistance Agreement. If the Revenue Fund, the O&M Fund and/or the Improvement Fund are so held in trust or otherwise controlled under any Account Control Arrangement, the Sanitary District (including the Controller on behalf of the Sanitary District) shall cause the designated revenues and account balances of the sewage works to be so deposited, held and applied consistent with this resolution and any such Account Control Arrangement. The Sanitary District (including the Controller on behalf of the Sanitary District) shall cause all gross revenues of the sewage works to be deposited, held and applied in the Sewage Works Accounts in strict conformity with and consistent with this resolution and any such Account Control Arrangement applicable thereto existing from time to time that has been approved by the Authority.

(c) The Sanitary District (including the Controller on behalf of the Sanitary District) shall cause (i) all gross tax receipts pledged to the payment of any Special Taxing District Bonds, (ii) any proceeds of any STDB Interfund Loans made pursuant to and in conformity with Section 15(c) and Section 24(f) of this Resolution and (iii) any other amounts made available for the payment of any Special Taxing District Bonds to be promptly deposited, held and applied in the STBB Accounts in strict conformity with and consistent with this resolution and any such

Account Control Arrangement applicable thereto existing from time to time that has been approved by the Authority.

(d) Any financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for any then outstanding bonds of the Sanitary District and the Bonds. The Mayor and the Controller, individually rather than collectively, are hereby authorized to establish, execute and/or deliver one or more Account Control Arrangements with a financial institution (or amend, supplement or replace one or more existing Account Control Arrangements including the hereafter defined 2016 Operating Account Control Arrangement and 2012 Account Control Arrangement) to reflect a trust or account arrangement for any such Fund or Account that they shall determine to be necessary or desirable as conclusively evidenced by any agreement or account designation as either may approve (subject to the further approval of the Authority) consistent with the terms and provisions of this resolution. The use and application of any amounts held from time to time in any Account Control Arrangement shall be in strict conformity with the terms thereof, and no such Account Control Arrangement (whether now existing or hereafter entered into or created) shall be amended, replaced or terminated without the prior written consent of the Authority.

(e) The Sanitary District hereby ratifies, confirms and approves (i) the existing First Amendment to Financial Assistance Agreement dated February 10, 2016 by and between the Sanitary District and the Authority as supplemented by a Rider No. 1 to First Amendment to Financial Assistance Agreement dated March 31, 2016 (the "Sanitary District-Authority Operating Account Control Agreements") and (ii) the City's corporate authorization resolution and account agreement each related to Old National Bank account number 102790889 and dated February 25, 2016 (the "Implementing Operating Account Control Actions" and together with the Sanitary District-Authority Operating Account Control Agreements, collectively, the "2016 Operating Account Control Arrangement"), pursuant to which the Revenue Fund, the O&M Fund and the Improvement Fund are held and controlled to assure compliance with this resolution and certain of the agreements related to certain of the Outstanding Parity Bonds held by the Authority.

(e) The Sanitary District hereby ratifies, confirms and approves that certain Amended and Restated Agreement For Services of Registrar and Paying Agent and the Trust of the Sinking Fund and Construction Fund dated December 13, 2012, as heretofore amended and supplemented (the "2012 Account Control Arrangement"), pursuant to which the Sinking Fund and a construction fund are held and controlled to assure compliance with the agreements related to certain of the Outstanding Parity Bonds held by the Authority.

(f) The Sanitary District shall, to the extent permitted by law, indemnify and hold the Authority harmless from any costs, expense or liability incurred by or imposed on the Authority as a result of the Authority taking, or failing to take, any action permitted under any Account Control Arrangement existing from time to time.

Section 18. Investment of Funds. The Board is hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this resolution (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. The Board shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts referenced herein. In order to comply with the provisions of the resolution, the Board is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Sanitary District as to requirements of federal law to preserve the tax exclusion. The Board may pay any fees as operation expenses of the sewage works.

Section 19. Maintenance of Accounts. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Sanitary District. The O&M Fund and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the Sanitary District and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, as amended or supplemented and as applicable, pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this resolution. 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 continued or created by this resolution except that (a) the Sinking Fund and Construction Account shall be maintained as separate bank accounts from the other Funds and Accounts of the sewage works and (b) the other Sewage Accounts and the STBB Accounts shall be maintained as a separate bank account from the other funds and accounts of the City.

Section 20. Maintenance of Books and Records. For any Bonds sold to the Authority as part of its SRF Program, the Sanitary District shall establish and maintain the books and other financial records of the Projects (including the establishment of a separate account or subaccount for the Project) and the sewage works in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 21. Rate Covenant. (a) The Sanitary District covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the sewage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the sewage works, or that in any way uses or is served by the sewage works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Sanitary District) 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, to provide for the proper and reasonable

expenses of (a) Operation and Maintenance, as defined in the Financial Assistance Agreement, if the Bonds are sold to the Authority as part of its SRF Program, or (b) operation, repair and maintenance of the sewage works if no Bonds are sold to the Authority as part of its SRF Program, to comply with and satisfy all covenants contained in this resolution and the Financial Assistance Agreement (if any Bonds are sold to the Authority as part of its SRF Program) and to pay all obligations of the sewage works and of the Sanitary District with respect to the sewage works, including the sums required to be paid into the Sinking Fund by the Act, any Special Taxing District Bonds Resolution and this resolution. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of Operation and Maintenance or operation, repair and maintenance of the sewage works, as the case may be, and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of such works by and service rendered to the Sanitary District and the City, and shall be paid by the Sanitary District and the City, as the charges accrue.

(b) Notwithstanding the requirements of Section 21(a), the Sanitary District covenants and agrees that it will establish and maintain such rates or charges, to the extent permitted by law and so long as the Authority owns any Bonds, Outstanding Parity Bonds or Parity Bonds (or any outstanding Special Taxing District Bonds to which Net Revenues of the sewage works have been pledged on a junior and subordinate basis), at a level sufficient in each year to produce Net Revenues (excluding System Development Charges) equal to 1.25 times the greater of:

(1) the sum of (I) the average annual debt service on the respective Bonds, any Outstanding Parity Bonds and any Parity Bonds during the next succeeding five (5) calendar years, (II) the average annual requirements of the Special Taxing District Bond Account during the next succeeding five (5) calendar years and (III) the average annual PILOTs payment that the Sanitary District reserves the right to transfer pursuant to Section 16 during the next succeeding five (5) calendar years; or

(2) the sum of (I) the highest annual debt service payable on the Bonds, any Outstanding Parity Bonds and any Parity Bonds during the next succeeding two (2) calendar years, (II) the highest annual requirements during the next succeeding two (2) calendar years on the Special Taxing District Bond Account and (III) the highest annual PILOTs payment that the Sanitary District reserves the right to transfer pursuant to Section 16 during the next succeeding two (2) calendar years.

For purposes of this subsection, the Sanitary District shall annually determine each November whether such Net Revenues of the sewage works, as of the applicable measurement periods each commencing on the next following January 1, are sufficient to meet such requirements and, upon request by the Authority, such showings shall be prepared by a certified public accountant employed by the Sanitary District for that purpose.

(c) The Sanitary District and the City have caused all rates and charges heretofore established to be implemented, billed, collected and applied in conformity with the proceedings undertaken so establishing such existing rates and charges (and consistent with this resolution)

and, unless required by operation of law, no action shall be taken by the Sanitary District or the City to rescind or reduce any such rates and charges applicable to the sewage works and the service rendered by it without the prior written consent of the Authority so long as it shall own any Bonds, Outstanding Parity Bonds, Parity Bonds or Special Taxing District Bonds to which Net Revenues of the sewage works have been pledged on a junior and subordinate basis.

Section 22. Defeasance of Bonds. If, when any of the Bonds issued hereunder 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 any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Sanitary District's sewage works.

Section 23. Additional Bond Provisions. The Sanitary District reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs; provided that no BANs shall be issued pursuant to this resolution unless the Sanitary District obtains the consent of the Authority. The Sanitary District reserves the right to authorize and issue additional Parity Bonds, payable out of the Net Revenues of its sewage works, ranking on a parity with the Bonds, for the purpose of financing the cost of future additions, extensions, replacements and improvements to the sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this resolution, and the interest on and principal of all bonds payable from the Net Revenues of the sewage works shall have been paid in accordance with their terms. The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 15(b) of this resolution.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of said Parity Bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the reporting period would have produced Net Revenues for said period equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued.

For purposes of this subsection all showings shall be prepared by a certified public accountant employed by the Sanitary District for that purpose. In addition, for purposes of this subsection with respect to any such bonds payable from the Net Revenues of the sewage works hereafter issued, while any series of Bonds remain outstanding and are owned by the Authority as part of the 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 bonds without satisfying this subsection (b).

(c) The interest on the additional Parity Bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemption dates for, the additional Parity Bonds shall be payable semiannually on January 1 and July 1.

(d) If any of the Bonds are held to the Authority, (i) the Sanitary District obtains the consent of the Authority, (ii) the Sanitary 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 Sanitary District is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which purpose the Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 24. Further Covenants of the Sanitary District: Maintenance, Insurance, Pledge Not to Encumber, Subordinate Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the Sanitary District in connection with the construction of the Projects shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) The Projects shall be constructed under the supervision and subject to the approval of such competent engineer as shall be designated by the Sanitary District. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Sanitary District.

(c) So long as any of the BANs or Bonds herein authorized are outstanding, the Sanitary District shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds and BANs are outstanding, the Sanitary District shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. If any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority, such insurance shall be acceptable to the Authority. If any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority, then as an alternative to maintaining such insurance, the Sanitary District may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities. All insurance proceeds and condemnation awards shall be used to replace or repair the sewage works, unless the Authority consents to a different use if any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority Program.

(e) So long as any of the BANs or Bonds are outstanding, the Sanitary District shall not mortgage, pledge or otherwise encumber such works, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may become worn out or obsolete, or shall no longer be necessary for use in connection with said utility; provided, however, the Sanitary District shall obtain the prior written consent of the Authority if any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority.

(f) If any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority, the Sanitary District shall not 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 sewage works other than for normal operating expenditures, (ii) borrow any money (including without limitation any loan from other utilities by the Sanitary District) in connection with the sewage works; (iii) make any interfund loan (including any STDB Interfund Loan) from the income and revenues of the sewage works to any account of the Sanitary District available to pay the principal of or interest on any Special Taxing District Bonds in excess of the balance held in the Special Taxing District Bond Account or in manner that is inconsistent with any Interfund Loans Resolution, (iv) make any interfund loan from the income and revenues of the sewage works to any account of the City or (v) make any transfers to any account of Sanitary District available to pay the principal of or interest on any Special Taxing District Bonds other than by operation of the Special Taxing District Bond Account as provided in Section 15(c). Notwithstanding anything herein to the contrary, no STDB Interfund Loans or any other transfers shall be made from the income and revenues of the sewage works to any account of Sanitary District available to pay the principal of or interest on any Special Taxing District Bonds if amounts held in the Sinking Fund (without regard to amount in the Special Taxing District Bond Account) or the O&M Fund are less than the required balances as of the date any proposed STDB Interfund Loans or any other proposed transfers to any account of Sanitary District available to pay the principal of or interest on any Special Taxing District Bonds. If any BANs, Bonds, or Outstanding Parity Bonds are held by the Authority, any Interfund Loans Resolution from time to time effect shall not be amended, supplement or replaced without the prior written consent of the Authority.

(g) Except as hereinbefore provided in Section 23 hereof, so long as any of the Bonds herein authorized are outstanding, no additional Bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the Sanitary District except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 22 hereof coincidentally with the delivery of such additional bonds or other obligations. Notwithstanding the preceding the sentence to the contrary, the Sanitary District shall not issue any Special Taxing District Bonds payable from Net Revenues of the sewage works junior and subordinate to the payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any future bonds of the Sanitary District that are payable in whole or in part from Net Revenues unless the Authority shall have consented to their issuance so long as any BANs or Bonds (or any Outstanding Parity Bonds) are held by the Authority.

(h) The Sanitary District shall take all action or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid, solid waste and sewage is produced with available sanitary sewers. The Sanitary District shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(i) The provisions of this resolution shall constitute a contract by and between the Sanitary District and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this resolution shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds or BANs nor shall the Board adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 26(a)-(g), this resolution may be amended, however, without the consent of BAN or Bond owners, if the Board determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided, however, that if any Bonds or BANs are held to the Authority, the Sanitary District shall obtain the prior written consent of the Authority.

(j) The provisions of this resolution shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this resolution and of said governing Act. The provisions of this resolution shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this resolution set forth. The owners of the Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act hereinbefore referred to, including the right to have a receiver appointed to administer the sewage works, in the event the Sanitary District shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this resolution or the governing Act.



(k) For purpose this section, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the Sanitary District to use property in exchange for periodic payments made from the revenues of the sewage works, whether the Sanitary 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 lease, installment purchase agreement or lease, or otherwise (including any combination thereof).

(l) The Sanitary District understands and agrees that bonds of the Sanitary District payable from the Net Revenues may not be issued by the Sanitary District to retire the 2016 BANs without the prior written consent of the Authority. The Sanitary District has advised the Authority that it desires to cause amounts it expects to be available in the Improvement Fund during the period commencing from the date of issuance of the first series of Bonds through January 1, 2021 to be applied to the payment of the entire outstanding principal balance of the 2016 BANs, together with any accrued interest thereon, all only and as to the extent otherwise permitted pursuant to this resolution and any Account Control Arrangement existing from time to time. The Sanitary District shall not otherwise cause Net Revenues to be applied to pay the outstanding principal balance of the 2016 BANs or any interest thereon.

Section 25. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be ("Code") and as an inducement to purchasers of the Bonds and BANs, the Sanitary District represents, covenants and agrees that:

(a) The sewage works will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the Sanitary District or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the Sanitary District or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the Sanitary District enters into a management contract for the sewage works, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Treasury Regulations promulgated thereunder, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this resolution or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or

payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the Sanitary District) in respect of such property or borrowed money used or to be used for a private business use.

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

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

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

(f) The Sanitary District will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the Sanitary District act in any other manner which would adversely affect such exclusion. The Sanitary District covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this resolution if the interest on any Bond or BAN 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 or BANs, as the case may be.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

(i) The Sanitary District represents that it will rebate any arbitrage profits to the United States of America in accordance with and to the extent required by the Code.

Section 26. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 24(i), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this resolution and then outstanding shall have the right, from time to time, anything contained in this resolution to the contrary notwithstanding, to consent to and approve the adoption by the Sanitary District of such resolution or resolutions supplemental hereto as

shall be deemed necessary or desirable by the Sanitary District for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this resolution, or in any supplemental resolution; provided, however, that if any Bonds or BANs are held to the Authority, the Sanitary District shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this resolution; or

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

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

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

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

(f) A reduction in the Reserve Requirement; or

(g) The extension of mandatory sinking fund redemption dates, if any.

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

Section 27. Issuance of BANs. The Sanitary District, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs pursuant to a Bond Anticipation Note Purchase Agreement (the "Purchase Agreement") to be entered into between the Sanitary District and the purchaser of the BAN or BANs. If the BANs are sold to the Authority as part of its SRF Program, the Financial Assistance Agreement shall serve as the Purchase Agreement. The Board hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing the Bonds to provide interim financing for the Projects until permanent financing becomes available. It shall not be necessary for the Sanitary District to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.

The Mayor and the Controller are hereby authorized and directed to execute a Purchase Agreement or Financial Assistance Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Mayor, the Controller and officers of the Sanitary District 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.

Section 28. Resolution to be Filed with Controller. The Secretary to the Board of Sanitary Commissioners is hereby directed to file a certified copy of this resolution with the Controller for preparation of the Bonds.

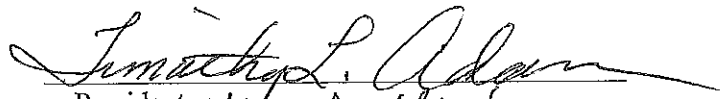
Section 29. Tax Exemption. Notwithstanding any other provisions of this resolution, the covenants and authorizations contained in this resolution (the "Tax Sections") which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the Sanitary District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. At the time of delivery of the BANs or Bonds, the President or Controller will execute post-issuance compliance procedures with respect to the BANs or Bonds, as the case may be, relating to continued compliance of the Sanitary District with respect to the Tax Sections to preserve the Tax Exemption.

Section 30. Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith are hereby repealed, provided, however, that this resolution shall not be construed as modifying, amending or repealing the resolutions authorizing the Outstanding Parity Bonds or as adversely affecting the rights of the holders of the Outstanding Parity Bonds. The resolution amends and restates in its entirety Resolution No. 4-2017 adopted by the Board on August 15, 2017.

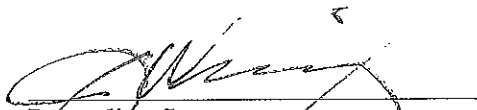
Section 31. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17<sup>th</sup> day of July, 2018.

BOARD OF SANITARY COMMISSIONERS  
SANITARY DISTRICT OF THE  
CITY OF TERRE HAUTE, INDIANA

  
~~President~~ ~~Vice-President~~

ATTEST:

  
Recording Secretary

## EXHIBIT A

### Description of Projects

The Projects, which constitute Phase II of the Terre Haute Long Term Control Plan (the "LTCP"), consist of three projects including (i) the reconstruction of the main liftstation, (ii) phase II of the high rate treatment facility, and (iii) introduction of green infrastructure projects in the north basin of the combined sewer watershed area. The main liftstation project consists of replacement/relocation of the City's main lift facility and will increase its pumping capability to accommodate the wastewater treatment plant as well as both phases of the high rate treatment facility. The high rate treatment facility project will include an expansion of the existing satellite treatment facility that will double its capacity in order to treat two times the overflow volume and keep it from being overflowed to the Wabash River. The last project for Phase II of the LTCP is the introduction of green infrastructure which will reduce the amount of runoff entering the combined sewer system in the north basin of the City's combined sewer system and will potentially reduce cost in future phases of the LTCP.

The Projects are being constructed in response to and in conformance with the rulings of the Vigo County Circuit Court approving and entering into an agreed judgement as final judgement between the City and the Indiana Department of Environmental Management in connection with the City's operation of the sewage works. Pursuant to the rulings, the City agreed to implement the LTCP to comply with the federal Environmental Protection Agency's 1994 Combined Sewer Overflow policy and the federal Clean Water Act. The Projects to be financed with the proceeds of the Bonds are part of the LTCP.

EXHIBIT B

Form of Financial Assistance Agreement

**STATE OF INDIANA**  
**WASTEWATER REVOLVING LOAN PROGRAM**

**FINANCIAL ASSISTANCE AGREEMENT** made as of this \_\_\_\_\_ day of \_\_\_\_\_ 2018 by and between the Indiana Finance Authority (the "Finance Authority"), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the "State") and the Sanitary District of the City of Terre Haute, Indiana (the "Participant"), a political subdivision as defined in I.C. 5-1.2-2-57 and existing under I.C. 36-9-25, and the City of Terre Haute, Indiana (the "City") through whom certain undertaking are herein made, witnesseth:

WHEREAS, the State's Wastewater Revolving Loan Program (the "Wastewater SRF Program") has been established in accordance with the federal Clean Water Act and the regulations promulgated thereunder, and pursuant to I.C. 5-1.2-10 (the "Wastewater SRF Act"), which Wastewater SRF Act also establishes the wastewater revolving loan fund (the "Wastewater SRF Fund"); and

WHEREAS, pursuant to the Wastewater SRF Act, the State was authorized to fund the Wastewater SRF Program with federal capitalization grants, together with required state matching funds therefor, and to operate the Wastewater SRF Program, and prior to May 15, 2005 so funded and operated the Wastewater SRF Program; and

WHEREAS, pursuant to Public Law 235 - 2005, by operation of law and effective May 15, 2005, the Finance Authority has become the successor to the State in all matters related to the Wastewater SRF Program (including use and acceptance of federal capitalization grants and required state matching funds and operation of the Wastewater SRF Program); and

WHEREAS, the Participant is a duly existing political subdivision of the State, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein; and

WHEREAS, the Participant has previously entered into two Financial Assistance Agreement with the Finance Authority, dated as of March 25, 2011 and November 12, 2012 (as amended and supplemented, collectively, the "Prior SRF Agreements"), to borrow money from the Wastewater SRF Program to construct and acquire separate projects (as described and defined in the Prior Agreements); and

WHEREAS, the Participant has determined to undertake a wastewater treatment system project (as more fully described herein, the "Project") and to borrow money from the Wastewater SRF Program to construct and acquire the Project; and

WHEREAS, the Participant is also entering into a Brownfield Loan Agreement with the Finance Authority, dated November 12, 2012 (together with the Prior SRF Agreement, collectively, the "Other Agreements"), to borrow money from the Brownfield Program to construct and acquire a portion of the Project; and

WHEREAS, the Finance Authority and the Participant desire to set forth the terms of



such financial assistance as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the Finance Authority and the Participant agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01. Definitions.** The following terms shall, for all purposes of this Agreement, have the following meaning:

**"Agency"** shall mean the United States Environmental Protection Agency or its successor.

**"Authorizing Instrument(s)"** shall mean the separate trust indenture(s) of the Participant entered into with a corporate trustee or the detailed resolution(s) or ordinance(s) of the Board pursuant to which the Bonds are issued in accordance with State law.

**"Authorized Representative"** shall mean the Controller or the District Manager or such other officer, official, or representative of the Board duly authorized to act for and on behalf of the Participant as provided for herein.

**"Board"** shall mean the Board of Sanitary Commissioners of the Participant.

**"Bond"** or **"Bonds"** shall mean the instrument(s) which evidence(s) the Loan, as authorized by the Authorizing Instrument and containing the terms set forth in Section 2.02 of this Agreement.

**"Bond Fund"** shall mean the separate and segregated fund or account established and created by the Participant pursuant to the Authorizing Instrument from which payment of the principal of and interest on the Bonds is required to be made by the Participant.

**"Business Day"** shall mean any day other than a Saturday, Sunday or State legal holiday or any other day on which financial institutions in the State are authorized by law to close and to remain closed.

**"Clean Water Act"** shall mean the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251-1387, and other laws, regulations and guidance supplemental thereto (including the 2014 Appropriations Act and the Water Resources Reform and Development Act of 2014), as amended and supplemented from time to time.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

**“Construction Fund”** shall mean the separate and segregated fund or account established and created by the Participant pursuant to the Authorizing Instrument to receive proceeds of the Bonds and from which Eligible Costs of the Project may be paid by the Participant.

**“Credit Instrument”** means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider that is used by the Participant to meet all or a portion of any debt service reserve requirement securing the Bonds or any other bonds payable from the revenues of the Treatment Works, which bonds are on a parity with the Bonds.

**“Credit Provider”** means a bank, insurance company, financial institution or other entity providing a Credit Instrument.

**“Department”** shall mean the Indiana Department of Environmental Management created under I.C. 13-13-1-1 or its successor.

**“Deposit Agreement”** shall mean an agreement between the Participant and the Deposit Agreement Counterparty in such form as from time to time determined by the Finance Authority pursuant to which (a) the Participant’s Bond Fund (including any reserve account established and created by the Participant pursuant to the Authorizing Instrument related thereto) shall be held by such Deposit Agreement Counterparty and available for payment of the Bonds and any other similar obligations of the Participant that are payable from the Bond Fund regardless whether they are on a parity basis, (b) such Deposit Agreement Counterparty serves as the paying agent for the Bonds and any other such similar obligations of the Participant that are payable from the Bond Fund, and (c) the Participant’s Construction Fund may be held by such Deposit Agreement Counterparty upon any Loan disbursement by the Finance Authority to it from time to time.

**“Deposit Agreement Counterparty”** shall mean the financial institution that enters into a Deposit Agreement with the Participant, which financial institution shall be approved by the Finance Authority and may be replaced by the Finance Authority from time to time.

**“Director of Environmental Programs”** shall mean the person designated by the Finance Authority as authorized to act as the Director of Environmental Programs (which designation includes such Director’s assumption of the duties previously assigned to the Wastewater SRF Program Representative and the Wastewater SRF Program Director) and where not limited, such person’s designee.

**“Disbursement Agent”** shall mean the party disbursing the Loan to or for the benefit of the Participant, which shall be the Trustee unless amounts are held in the Construction Fund, in which case the Disbursement Agent shall thereafter be the Deposit Agreement Counterparty as the party disbursing amounts that are held in the Construction Fund unless otherwise agreed by the Finance Authority.

**“Disbursement Request”** shall mean a request for a disbursement of the Loan made by an Authorized Representative in such form as the Finance Authority may from time to time

prescribe.

**"Eligible Cost"** shall mean and include, whether incurred before or after the date of this Agreement, all costs which have been incurred and qualify for Financial Assistance, including engineering, financing and legal costs related thereto.

**"Finance Authority"** shall mean the Indiana Finance Authority, a body politic and corporate, not a state agency but an independent instrumentality of the State.

**"Finance Authority Bonds"** shall mean (A) any Indiana Bond Bank State Revolving Fund Program Bonds issued as a part of the Wastewater SRF Program within the meaning of the Wastewater SRF Indenture and (B) any Finance Authority State Revolving Fund Program Bonds or other similar obligations of the Finance Authority issued as a part of the Wastewater SRF Program within the meaning of the Wastewater SRF Indenture.

**"Financial Assistance"** shall mean the financial assistance authorized by the Clean Water Act, including the Loan.

**"Loan"** shall mean the purchase of the Bonds by the Finance Authority to finance the planning, designing, constructing, renovating, improving and expanding of the Participant's Treatment Works or refinance an existing debt obligation where such debt was incurred and building of such systems began after March 7, 1985, but does not mean the provision of other Financial Assistance.

**"Loan Reduction Payment"** shall mean in any circumstances where there is a balance (inclusive of Loan proceeds and any earnings) in the Construction Fund, any action causing such balance to be applied to a reduction in the maximum aggregate amount of the Loan outstanding other than pursuant to regularly scheduled principal payments or optional redemptions applicable to the Bonds. A Loan Reduction Payment shall not be applicable unless Loan amounts are held in the Construction Fund.

**"Non-Use Close-out Date"** shall mean that date which is the earlier of (a) the first date as of which the full amount of the Loan has been disbursed on a cumulative basis (which shall also be deemed to have occurred when and if such amounts have been deposited in the Participant's Construction Fund) or (b) the date as of which the Participant binds itself that no further Loan disbursements will be made under this Agreement.

**"Non-Use Fee"** shall mean a fee in an amount determined by the Finance Authority charged to compensate it for costs and expenses within the Wastewater SRF Program. Such amount shall be the greater of (A) the product of the undrawn balance of the Loan on each applicable Non-Use Assessment Date multiplied by one percent (1%) or (B) One Thousand Dollars (\$1,000). Such fee shall apply and be payable under Section 5.09 herein with respect to each Non-Use Assessment Date until the Non-Use Close-out Date shall occur. A Non-Use Fee shall not be applicable if the full amount of the Loan has been disbursed and deposited in the Participant's Construction Fund by the Non-Use Assessment Date.

**"Non-Use Assessment Date"** shall mean           1, 2020 and the first day of each sixth (6<sup>th</sup>) calendar month thereafter unless and until the Non-Use Close-out Date occurs in advance of any such Non-Use Assessment Date.

**Section 1.02. Application of Defined Terms in Their Context.** The terms set forth in Section 1.01 shall, for all purposes of this Agreement, be applied in the context in which they may be used and where a term and context may be applied as a separate undertaking by both the District and the City, each such undertaking shall be applied as broadly as possible so as to be interpreted as an undertaking of each such party.

(End of Article I)

**“Operation and Maintenance”** shall mean the activities required to assure the continuing dependable and economic function of the Treatment Works, including maintaining compliance with National Pollutant Discharge Elimination System permits, as follows:

(1) Operation shall mean the control and management of the united processes and equipment which make up the Treatment Works, including financial and personnel management, records, reporting, laboratory control, process control, safety and emergency operation planning and operating activities.

(2) Maintenance shall mean the preservation of the functional integrity and efficiency of equipment and structures by implementing and maintaining systems of preventive and corrective maintenance, including replacements.

**“Plans and Specifications”** shall mean the detailed written descriptions of the work to be done in undertaking and completing the Project, including the written descriptions of the work to be performed and the drawings, cross-sections, profiles and the like which show the location, dimensions and details of the work to be performed.

**“Preliminary Engineering Report”** shall mean the information submitted by the Participant that is necessary for the Finance Authority to determine the technical, economic and environmental adequacy of the proposed Project.

**“Project”** shall mean the activities or tasks identified and described in Exhibit A to this Agreement, and incorporated herein, as amended or supplemented by the Participant and consented to by the Finance Authority, for which the Participant may expend the Loan.

**“Purchase Account”** shall mean the account by that name created by the Wastewater SRF Indenture and held as part of the Wastewater SRF Fund.

**“Settlement Costs”** shall mean any and all fees, costs, losses or expenses incurred (or estimated to be incurred) by the Finance Authority resulting or arising from a Loan Reduction Payment (including without limitation interest and earnings differentials when the Finance Authority seeks to lend such Loan Reduction Payment to another Wastewater SRF Program borrower). In connection with the Loan made pursuant to this Agreement, there are agreed to be no Settlement Costs.

**“Settlement Fee”** shall mean a fee payable by the Participant to the Finance Authority to compensate the Finance Authority for its Settlement Costs in circumstances where there has been a Loan Reduction Payment.

**“SRF Policy Guidelines”** shall mean guidance of general applicability (as from time to time published, amended and supplemented by the Finance Authority) pertaining to participants utilizing financial assistance in connection with their projects funded in whole or in part through the Wastewater SRF Program.

**“State”** shall mean the State of Indiana.

**“Substantial Completion of Construction”** shall mean the day on which the Finance Authority (or if designated by the Finance Authority, the Department) determines that all but minor components of the Project have been built, all equipment is operational and the Project is capable of functioning as designed.

**“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 applicable to the Treatment Works that are available for deposit under the Authorizing Instrument.

**“Treatment Works”** shall mean any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of the Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and acquisition of the land that will be an integral part of the treatment process (including land use for the storage of treated wastewater in land treatment systems prior to land application) or will be used for ultimate disposal of residues resulting from such treatment and acquisition of other land, and interests in land, that are necessary for construction.

**“Trustee”** shall mean The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, in its capacity as trustee or its successor under the Wastewater SRF Indenture.

**“2014 Appropriations Act”** shall mean the Consolidated Appropriations Act, 2014 (also known as H.R. 3457), and other laws, regulations and guidance supplemental thereto (including the Clean Water Act), as amended and supplemented from time to time.

**“Wastewater SRF Fund”** shall mean the wastewater revolving loan fund as established by I.C. 5-1.2-10-2.

**“Wastewater SRF Indenture”** shall mean the Sixth Amended and Restated Wastewater SRF Trust Indenture, dated as of April 1, 2007 between the Finance Authority (as successor by operation of law to the State in all matters related to the Wastewater SRF Program) and the Trustee, as amended and supplemented from time to time.

(End of Article I)

## ARTICLE II

### **PURPOSE OF BORROWING AND LOAN TERMS**

**Section 2.01. Amount; Purpose.** The Finance Authority agrees to Loan an amount not to exceed \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in aggregate principal amount to the Participant as Financial Assistance to pay for the Eligible Costs, as hereinafter described, of the Project on, and subject to, the terms and conditions contained herein. The Loan shall be used only to pay the following Eligible Costs: (a) eligible planning services for the production of a Preliminary Engineering Report ("Planning"), (b) eligible design services for the production of Plans and Specifications ("Design") and (c) eligible construction costs, including financing and legal costs ("Construction"). The Loan shall be funded solely from available proceeds of the Finance Authority Bonds contained in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate. The Loan is evidenced by the Bonds executed and delivered by the Participant contemporaneously herewith. The Bonds shall be in fully registered form, with the Finance Authority registered as the registered owner. So long as the Finance Authority is the registered owner, the principal of and redemption premium, if any, and interest on the Bonds shall be paid to the Trustee by a wire transfer referenced as follows: The Bank of New York, ABA 021 000 018, For Credit to 610026840C, Account Name: Terre Haute Sewage Works, Attn: Derick Rush. The Participant agrees to undertake and complete the Project and to receive and expend the Loan proceeds in accordance with this Agreement.

#### **Section 2.02. The Bonds.**

(a) Until paid, the Bonds will bear interest at the per annum rate of \_\_\_\_\_ percent (\_\_\_\_%). Such interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months, and be provided in I.C. 5-1.2-10-15 and -20. Interest, if any, on the Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2019. The Bonds will be in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). Subject to Section 2.05 and 2.06 herein, the Bonds will mature on January 1 and July 1 of each of the years set forth in, and at the principal amount set opposite each such month and year set forth in the schedule contained in the attached Exhibit B to this Agreement (which is hereby incorporated by reference); provided, however, notwithstanding the foregoing or the terms of the Bonds to the contrary, no maturity of Bonds shall extend beyond the date which is twenty (20) years after Substantial Completion of Construction. If the maturity date for any Bonds is beyond such date, unless otherwise agreed to, such Bonds, together with accrued and unpaid interest thereon, will be due and payable on such date.

(b) The Bonds will be subject to redemption by the Participant as provided in the Authorizing Instrument; provided however that in no event shall the Participant exercise any provision contained in the Authorizing Instrument or the Bonds permitting a redemption of the Bonds at the option of the Participant unless and until such has been consented by the Authority. The Loan, and the Bonds evidencing it, will be subject to payment by the Participant as provided in this Agreement.

(c) The form and other terms of the Bonds will be in conformity with the Authorizing Instrument.

(d) The additional terms contained in the attached Exhibit D are applicable to this Loan (as and to the extent set forth in Exhibit D) to the same effect as if such were set forth in this section.

**Section 2.03. Disbursement Conditions.** Each of the following shall be a condition precedent to the disbursement of the Loan or any portion thereof (including from the Construction Fund):

(a) (1) With respect to procurement of professional services related to the Project to be paid from Loan proceeds, the Participant shall have complied with applicable State law and SRF Policy Guidelines. Additionally costs related Planning and Design shall only be Eligible Costs upon compliance with paragraph A of the attached Exhibit D. (2) With respect to procurement of all other goods and services related to the Project to be paid from Loan proceeds, the Participant shall have complied with I.C. 36-1-12 and SRF Policy Guidelines.

(b) No representation, warranty or covenant of the Participant contained in this Agreement or in any paper executed and delivered in connection with the transactions contemplated by this Agreement shall be false or inaccurate in any material respect.

(c) The Participant shall undertake and faithfully perform each of its obligations, agreements and covenants contained in this Agreement, the Authorizing Instrument and the Bonds.

(d) There shall be available to the Finance Authority uncommitted funds in an amount sufficient to satisfy the Finance Authority's obligations hereunder from the proceeds of Finance Authority Bonds in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate; provided however, once Loan proceeds have been deposited in the Construction Fund, such condition shall be deemed satisfied.

(e) The Participant shall have undertaken all actions necessary to comply with and satisfy the conditions and requirements for a Loan secured with money made available from the Wastewater SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 5-1.2-10, SRF Policy Guidelines, the Clean Water Act and 40 C.F.R. Part 35.

(f) Prior to making any Loan disbursement to pay any Construction costs, the Project shall have been approved by the State's Historical Preservation Officer in a manner consistent with the policies and practices of the Wastewater SRF Program (the "Historical Preservation Approval"). Notwithstanding any provision of this Agreement to the contrary, in the event a Historical Preservation Approval has not been given within four (4) months after the date of this Agreement, the Finance Authority may, in its sole



discretion, (i) reduce the aggregate amount of the Loan to the amount then disbursed and outstanding under this Agreement and (ii) if any amounts are held in the Construction Fund, require a Loan Reduction Payment pursuant to Section 2.06 herein as if it were a date that was three (3) years after the dated date of the Bonds. Upon giving notice to the Participant of such action, no further Loan disbursement (including from the Construction Fund) may be made under this Agreement unless consented to by the Finance Authority.

(g) In the event the Bonds are payable from rates and charges of the Treatment Works and if requested by the Finance Authority, the Participant shall provide evidence satisfactory to the Finance Authority demonstrating that such rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper Operation and Maintenance of the Treatment Works, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Treatment Works (including the Bonds).

**Section 2.04. Disbursement Procedures.** Loan proceeds (including any held from time to time in the Construction Fund) shall be disbursed to the Participant by the Disbursement Agent for actual Eligible Costs incurred with respect to the Project. The Finance Authority may, in its discretion, cause Loan disbursements to be made (a) directly to the person or entity identified in the Disbursement Request to whom payment is due, or (b) if advised in writing by the Participant that I.C. 36-1-12-14 or a similar law applies to the Project, to the Participant for purposes of collecting retainage, or some combination thereof. Any Loan proceeds in excess of the amount subject to retainage controlled by the Participant will be immediately remitted to the person or entity to whom payment is due, no later than three (3) Business Days after receipt or the date such Loan proceeds are no longer subject to retainage. The Finance Authority may, in its discretion, cause Loan disbursements to be made from time to time, in whole or in part, to the Participant's Construction Fund for disbursement consistent with this Agreement. Loan disbursements shall not be made more frequently than monthly and shall only be made following the submission of a Disbursement Request to the Finance Authority. Disbursement Requests shall be approved by the Director of Environmental Programs prior to submission to the Disbursement Agent for a Loan disbursement. Disbursement Requests shall be numbered sequentially, beginning with the number 1.

**Section 2.05. Effect of Disbursements.** Loan disbursements made to or for the benefit of the Participant shall be deemed to be a purchase of the Bonds in such amounts and with such maturities as achieves as level debt service as practicable, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to one year after Substantial Completion of Construction shall first be deemed to be a purchase of the Bonds in order of maturity. The deposit of Loan proceeds in the Construction Fund shall be deemed to be a purchase of the Bonds. Interest on the Loan commences on disbursement of the Loan to or for the benefit of the Participant (including any amounts disbursed to the Construction Fund) by the Finance Authority and the Bonds shall be deemed to be purchased in the full amount thereof. Each disbursement (including any amounts disbursed from the Construction Fund) shall be made pursuant to a Disbursement Request. In the event any Loan disbursement (including any amounts disbursed from the Construction Fund) shall be made in excess of Eligible Costs, such excess disbursements shall be

immediately paid by the Participant to the Disbursement Agent (and if made from any amounts held in the Construction Fund, shall be immediately deposited by the Participant into such Construction Fund) and thereafter may, subject to the terms and conditions set forth in this Agreement, be applied thereafter to pay Eligible Costs of the Project by the Participant.

**Section 2.06. Acknowledgment of Amount of Loan; Final Disbursement.** (a) Within 30 days after any request by the Finance Authority from time to time, the Participant shall execute and deliver to the Finance Authority an acknowledgment in the form prescribed by the Finance Authority which acknowledges the outstanding principal of and interest on the Bonds. Unless the Finance Authority consents in writing, no Loan disbursement shall be made more than one year after Substantial Completion of Construction. After Substantial Completion of Construction, upon the request of the Finance Authority, the Participant shall replace, at its expense, the Bonds with substitutes issued pursuant to the Authorizing Instrument to evidence the outstanding principal under the Loan.

(b) In the event there remains a balance (inclusive of Loan proceeds and any earnings) in the Construction Fund on the date that is the earlier of (i) one year after Substantial Completion of Construction or (ii) three (3) years after the dated date of the Bonds (or in either such circumstance, such later date as the Finance Authority may approve in its discretion), the Participant agrees to make a Loan Reduction Payment, and to pay a Settlement Fee, to the Finance Authority within 10 days after any Finance Authority written demand. Any Loan Reduction Payment shall be applied to pay principal in such amounts and with such maturities as achieves as level debt service as practicable consistent with methodology prescribed in the Authorizing Instrument and as originally applied to the Bonds, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to the Loan Reduction Payment shall be unaffected by such payment. If the Authorizing Instrument permits the Participant to apply Bond proceeds to pay interest accruing on or before Substantial Completion of Construction, the Participant may seek to reimburse itself for such interest costs it has paid pursuant to a Disbursement Request provided, unless otherwise approved by the Finance Authority, any such reimbursement shall be limited to the amount thereof that the Participant causes to be used to pay the Settlement Fee. If the Participant fails to make such Loan Reduction Payment or to pay a Settlement Fee by such date, the Finance Authority and Deposit Agreement Counterparty are authorized to cause any balance held in the Construction Fund to be so applied without further direction and authorization from the Participant. Notwithstanding the foregoing, if requested by the Finance Authority, in lieu of the Participant making a Loan Reduction Payment together with any Settlement Fee payment, the Finance Authority may in its discretion require the Participant to hold any remaining balance (inclusive of Loan proceeds and any earnings) in the Construction Fund until such amounts may be applied on the first optional redemption date applicable to the Bonds, and upon any such request, the Participant agrees to cause such amounts to be so held and applied on such date.

(End of Article II)

### ARTICLE III

#### **REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTICIPANT**

**Section 3.01. Planning, Design and Construction Covenants.** The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

- (a) Provide information as requested by the Finance Authority to determine the need for, or to complete any necessary, environmental review or analysis.
- (b) Comply with the procurement procedures and affirmative action requirements contained in SRF Policy Guidelines in the Planning, Design and Construction of the Project to the extent that such are to be paid from Loan proceeds.
- (c) With respect to prime and first tier contract awards, report minority and women business enterprise utilization in the Planning, Design and Construction of the Project, to the extent that such are to be paid from Loan proceeds, by executing and delivering Agency Form SF 5700-52 to the Finance Authority whenever any agreements or subagreements are awarded. (These reports must be submitted on regular reporting cycles consistent with SRF Policy Guidelines commencing after such agreement or subagreement is awarded.)
- (d) Comply with all applicable federal, State and local statutes, rules and regulations relating to the acquisition and construction of the Treatment Works.
- (e) In the event Construction is to be paid from Loan proceeds, prior to an award of any contract for Construction of the Project, obtain a construction permit from the Department and receive the written approval of the Finance Authority of the Preliminary Engineering Report.
- (f) Obtain the property rights necessary to construct the Treatment Works and, in procuring any such rights comply with federal and State law.
- (g) In the event Construction is to be paid from Loan proceeds, comply with the federal Davis-Bacon Act, codified at 40 U.S.C. 276a-276a-5 unless separately waived by the Finance Authority.
- (h) In the event Construction is to be paid from Loan proceeds, execute and deliver to the Finance Authority Agency Form 4700-4 ("Pre-award Compliance Review Report for Wastewater Treatment Construction Grants") and such other forms as may be required by the Clean Water Act or SRF Policy Guidelines.
- (i) In the event Construction is to be paid from Loan proceeds, follow guidance issued by the Finance Authority in procuring contracts for Construction, including (1) submission to the Finance Authority of Project change orders, (2) obtaining approval

from the Director of Environmental Programs of any Project change order which significantly changes the scope or Design of the Project or, when taking into account other change orders and contracts, are reasonably expected to result in expenditures in an amount greater than the Loan, (3) receiving approval from the Director of Environmental Programs prior to the award of any contract for Construction and (4) receiving authorization from the Director of Environmental Programs prior to initiating procurement of Construction of the Project.

(j) In the event Construction is to be paid from Loan proceeds, before awarding Construction contracts, receive approval of the Director of Environmental Programs for the user charge system (including any use ordinance and interlocal agreement) associated with the Project.

(k) In the event Construction is to be paid from Loan proceeds, cause the Project to be constructed in accordance with the Preliminary Engineering Report and Plans and Specifications, using approved contract papers.

(l) Permit the Finance Authority and its agents to inspect from time to time (1) the Project, (2) the Treatment Works and (3) the books and other financial records of the Treatment Works, including the inspections described in SRF Policy Guidelines. Construction contracts shall provide that the Finance Authority or its agents will have access to the Project and the work related thereto and that the Participant's contractor will provide proper facilities for such access and inspection. All files and records pertaining to the Project shall be retained by the Participant for at least six years after Substantial Completion of Construction.

(m) Upon Substantial Completion of Construction and when requested by the Finance Authority, provide audited reports to the Finance Authority to permit the Finance Authority to determine that the Loan proceeds have been used in compliance with this Agreement.

(n) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, consistent with SRF Policy Guidelines, certify to the Finance Authority that the Project meets performance standards, or if not met, (1) submit to the Finance Authority (or if directed by the Finance Authority, to the Department) a corrective action plan and (2) promptly and diligently undertake any corrective action necessary to bring the Project into compliance with such standards.

(o) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, provide as-built plans for the Project to the Finance Authority (or if directed by the Finance Authority, to the Department).

**Section 3.02. General Covenants.** The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

(a) Comply with all applicable federal, State and local statutes, rules and regulations relating to Operation and Maintenance.

(b) (1) Own, operate and maintain the Project and the Treatment Works for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Treatment Works in good condition and operate it in an efficient manner and at a reasonable cost; and (3) not sell, transfer, lease or otherwise encumber the Treatment Works or any portion thereof or any interest therein without the prior written consent of the Finance Authority

(c) Obtain and maintain the property rights necessary to operate and maintain the Treatment Works, and in procuring any such rights, comply with federal and State law.

(d) Acquire and maintain insurance coverage acceptable to the Finance Authority, including fidelity bonds, to protect the Treatment Works and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under State law. Insurance proceeds and condemnation awards shall be used to replace or repair the Treatment Works unless the Finance Authority consents to a different use of such proceeds or awards.

(e) Establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) in accordance with (1) generally accepted governmental accounting principles, as promulgated by the Government Accounting Standards Board (including GASB No. 34 standards relating to the reporting of infrastructure) and (2) the rules, regulations and guidance of the State Board of Accounts.

(f) Provide to the Finance Authority such periodic financial and environmental reports as it may request from time to time, including (1) annual operating and capital budgets and (2) such other information requested or required of the Finance Authority or the Participant by the Agency.

(g) Provide notice to the Finance Authority under the circumstances contemplated, and undertake inspections as required, by SRF Policy Guidelines.

(h) (1) Establish and maintain just and equitable rates and charges for the use of and the service rendered by the Treatment Works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Treatment Works, or that in any way uses or is served by the Treatment Works, (2) establish, adjust and maintain rates and charges at a level adequate to produce and maintain sufficient revenue (when determined including user and other charges, fees, income or revenues available to the Participant, provided that to the extent permitted by law System Development Charges shall be excluded when determining if such are sufficient) to provide for the proper Operation and Maintenance of the Treatment Works, to comply with and satisfy all covenants contained herein and to pay all obligations of the Treatment Works and of the Participant with respect thereto, and (3) if and to the extent Bonds are

payable from property taxes, levy each year a special ad valorem tax upon all property located in the boundaries of the Participant, to pay all obligations of the Participant with respect thereto.

(i) If the Bonds are payable from the revenues of the Treatment Works, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Treatment Works without the prior written consent of the Finance Authority if such undertaking would involve, commit or use the revenues of the Treatment Works; provided that the Participant may authorize and issue additional obligations, payable out of the revenues of its Treatment Works, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Treatment Works, or to refund obligations of the Treatment Works, subject to the conditions, if any, in the Authorizing Instrument.

(j) Comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(k) Undertake all actions necessary to investigate all potential, material claims which the Participant may have against other persons with respect to the Treatment Works and the Project and take whatever action is necessary or appropriate to (1) recover on any actionable, material claims related to the Project or the Planning, Design or Construction thereof, (2) meet applicable Project performance standards and (3) otherwise operate the Treatment Works in accordance with applicable federal, State and local law.

(l) Not modify, alter, amend, add to or rescind any provision of the Authorizing Instrument without the prior written consent of the Finance Authority.

(m) In the event the Participant adopts an ordinance or resolution to refund the Bonds, within 5 days of the adoption of the ordinance or resolution, provide written notice to the Finance Authority of the refunding. Any refunding of the Bonds shall only be undertaken by the Participant with the prior written consent of the Finance Authority.

(n) In any year in which total expenditures of Federal financial assistance received from all sources exceeds \$750,000 the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of Federal financial assistance. The Participant agrees to provide the Finance Authority with a copy of the SAA audit within 9 months of the audit period.

(o) Inform the Finance Authority of any findings and recommendations pertaining to the SRF program contained in an audit of 2 CFR 200 Subpart F (a/k/a

"Super Circular") matters in which SRF Federal financial assistance was less than \$750,000.

(p) Initiate within 6 months of the audit period corrective actions for those audit reports with findings and recommendations that impact the SRF financial assistance.

(q) Notwithstanding anything in the Authorizing Instrument related to the Bonds (or in any authorizing instrument related to any other outstanding bonds payable from the revenues of the Treatment Works which are on a parity with the Bonds) to the contrary, in the event any Credit Provider that has provided a Credit Instrument fails to be rated on a long term basis at least "A-/A3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors (such Credit Instrument, a "Disqualified Instrument"), within 12 months of such failure (or pursuant to such other schedule as may be approved by the Finance Authority), the Participant shall cause cash (or a replacement Credit Instrument from a Credit Provider that is rated on a long term basis at least "AA-/Aa3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors)(or some combination thereof) in an aggregate amount equal to the stated credit available under the Disqualified Instrument(s) to be deposited in the related reserve account(s) in lieu of such Disqualified Instrument(s). No Disqualified Instrument shall be included as part of the reserve balance which satisfies any such reserve requirement under any such authorizing instrument. Nothing in this subsection shall waive or modify additional requirements contained in any such authorizing instrument (including the Authorizing Instrument related to the Bonds); the provisions of this subsection and any such authorizing instrument (including the Authorizing Instrument related to the Bonds) shall both be required to be met. Unless and until notice shall be given by the Finance Authority to the Participant, a surety policy issued by MBIA Insurance Corporation or Financial Guaranty Insurance Company that has been reinsured by National Public Finance Guarantee Corporation (formerly known as MBIA Insurance Corp. of Illinois) shall not be treated as a Disqualified Instrument.

(r) (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by SRF Policy Guidelines or the Clean Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(s) Comply with all federal requirements applicable to the Loan (including those imposed by the 2014 Appropriations Act and related SRF Policy Guidelines) which the Participant understands includes, among other, requirements that all of the iron and steel

products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Participant has requested and obtained a waiver from the Agency pertaining to the Project or (ii) the Finance Authority has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project.

(t) Comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or the Finance Authority such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

(u) Whenever from time to time requested by the Finance Authority, submit evidence satisfactory to the Finance Authority demonstrating that the Participant's rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper Operation and Maintenance of the Treatment Works, on a proforma basis consistent with SRF Policy Guidelines, to provide 1.25x coverage on all obligations of the Treatment Works (including the Bonds) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with SRF Policy Guidelines regarding such coverage.

(v) Comply with all requirements of this Agreement applicable to the Loan (including those imposed by the attached Exhibit D).

**Section 3.03. Representations and Warranties of the Participant.** After due investigation and inquiry, the Participant hereby represents and warrants to the Finance Authority that:

(a) The Participant is duly organized and existing under state law, and constitutes a "political subdivision" within the meaning of I.C. 5-1.2-2-57 and a "participant" within the meaning of I.C. 5-1.2-2-54. The Project and the Treatment Works are subject to I.C. 36-9-25.

(b) The Participant has full power and authority to adopt the Authorizing Instrument, enter into this Agreement and issue the Bonds and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Authorizing Instrument and authorized the execution and delivery of this Agreement, the Bonds and all other papers delivered in connection herewith.



(d) Neither the execution of, nor the consummation of the transaction contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Treatment Works, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Authorizing Instrument or the Bonds or the authority or ability of the Participant to execute and deliver this Agreement or the Bonds and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Authorizing Instrument or the Bonds.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Finance Authority or any of the persons representing the Finance Authority in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) The Participant has taken or will take all proceedings required by law to enable it to issue and sell the Bonds as contemplated by this Agreement.

(i) For any outstanding bonds payable from the revenues of the Treatment Works which are on a parity with the Bonds, each Credit Provider, if any, that has provided a Credit Instrument is at least rated on a long term basis "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc., and their successors, except as represented and set forth in Exhibit C attached thereto (and with respect to which true, accurate and complete copies of each such Credit Instrument have been delivered to the Finance Authority).

(j) The Policies and Procedures (as defined and described in the attached Exhibit E) have been agreed to between and between the City and the Board. The City have agreed that the Sanitary District and its Board are vested with the full authority, control and obligations related to the Treatment Works including all financial, managerial and operational aspects thereof. Neither the City nor the Sanitary District shall act in a manner contrary to such Policies and Procedures.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan

proceeds (including from the Construction Fund). Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Finance Authority may have undertaken.

**Section 3.04. Covenants Regarding Assignment.** The Participant acknowledges that the Finance Authority may pledge, sell or assign the Bonds or cause the Bonds to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 5.02 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Finance Authority, the Participant covenants and agrees with the Finance Authority that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Authorizing Instrument and the Bonds and the Treatment Works as the Finance Authority reasonably requests in writing to facilitate the sale or assignment of the Bonds.

**Section 3.05. Nature of Information.** All information furnished by the Participant to the Finance Authority or any person representing the Finance Authority in connection with the Loan or the Project may be furnished to any other person the Finance Authority, in its judgment, deems necessary or desirable in its operation and administration of the Wastewater SRF Program.

**Section 3.06. Tax Covenants.** The Participant hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code. The Participant further covenants that it will not do any act or thing that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "arbitrage bonds" within the meaning of Section 148 of the Code. In furtherance and not in limitation of the foregoing, the Participant shall take all action necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Participant or the Bonds, including accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

**Section 3.07. Non-Discrimination Covenant.** Pursuant to and with the force and effect set forth in I.C. 22-9-1-10, the Participant hereby covenants that the Participant, and its contractor and subcontractor for the Project, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry.

(End of Article III)

## **ARTICLE IV - DEFAULTS**

**Section 4.01. Remedies.** The Finance Authority's obligation to make a disbursement under the Loan to the Participant hereunder may be terminated at the option of the Finance Authority, without giving any prior notice to the Participant, in the event: (a) the Participant fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith (including the Authorizing Instrument); or (b) any representation or warranty made by the Participant as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default and in addition to any other remedies at law or in equity, the Finance Authority may (x) require a Loan Reduction Payment pursuant to Section 2.06 herein as if it were a date that was three (3) years after the dated date of the Bonds, (y) in the event a Deposit Agreement has not previously been entered into related to the Participant's Bond Fund (including any related reserve), require the Participant to enter into a Deposit Agreement (or to modify any such previously entered Deposit Agreement) and the Participant shall enter into (or modify) such an agreement within 5 days after any such demand and (z) without giving any prior notice, declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

**Section 4.02. Effect of Default.** Failure on the part of the Finance Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Finance Authority by this Agreement or by law shall not make the Finance Authority liable in damages to the Participant or relieve the Participant from paying any Bond or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Participant may have and pursue any and all other remedies provided by law for compelling performance by the Finance Authority of such obligation assumed by or imposed upon the Finance Authority. The obligations of the Finance Authority hereunder do not create a debt or a liability of the Finance Authority or the State under the constitution of the State or a pledge of the faith or credit of the Finance Authority or the State and do not directly, indirectly or contingently, obligate the Finance Authority or the State to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the Finance Authority or the State, nor any agent, attorney, member or employee of the Finance Authority or the State shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

**Section 4.03. Defaults under other Financial Assistance Agreements.** The Participant and the Finance Authority agree that any event of default occurring under any of the Other Agreements shall constitute an event of default under this Agreement. Similarly, the Participant and the Finance Authority agree that any event of default under this Agreement, or under any subsequent financial assistance agreement entered into between the Participant and the Finance Authority, shall constitute an event of default under the Other Agreements and the subsequent financial assistance agreement, if any, as the case may be.

(End of Article IV)

## ARTICLE V

### MISCELLANEOUS

**Section 5.01. Citations.** Any reference to a part, provision, section or other reference description of a federal or State statute, rule or regulation contained herein shall include any amendments, replacements or supplements to such statutes, rules or regulation as may be made effective from time to time. Any reference to a Loan disbursement shall include any disbursement from the Construction Fund. Any use of the term "including" herein shall not be a limitation as to any provision herein contained but shall mean and include, without limitation, the specific matters so referenced.

**Section 5.02. Assignment.** Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Finance Authority and any attempt at such an assignment without such consent shall be void. The Finance Authority may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Authorizing Instrument, and the Bonds to an agency of the State or to a separate body corporate and politic of the State or to a trustee under trust instrument to which the Finance Authority, the State or any assignee is a beneficiary or party. The Finance Authority may at its option pledge or assign all or a portion of its rights under this Agreement, the Authorizing Instrument, and the Bonds to any person. The Participant hereby consents to any such pledge or assignment by the Finance Authority. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

**Section 5.03. No Waiver.** Neither the failure of the Finance Authority nor the delay of the Finance Authority to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

**Section 5.04. Modifications.** No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

**Section 5.05. Entire Agreement.** This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto. This Agreement shall not be deemed to be a merger or integration of the existing terms under the Other Agreements except as expressly set forth in Section 4.03 herein.

**Section 5.06. Execution of Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be executed by the Finance Authority and the

Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

**Section 5.07. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this Agreement on the part of the Finance Authority or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Bonds to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

**Section 5.08. Notices.** All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Finance Authority shall be addressed to:

Indiana Finance Authority  
SRF Programs  
100 North Senate, Room 1275  
Indianapolis, Indiana 46204  
Attention: Director of Environmental Programs

or at such other address(es) or number(s) and to the attention of such other person(s) as the Finance Authority may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Sanitary District of the City of Terre Haute, Indiana  
17 Harding Avenue  
Terre Haute, IN 47807  
Attention: District Manager

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Finance Authority. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) Business Days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) Business Day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

**Section 5.09. Expenses.** The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Bonds and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses in connection with making and administering the Loan; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Finance Authority in connection with the enforcement of this Agreement, the Authorizing Instrument and the Bonds in the event of the breach by the

Participant of or a default under this Agreement, the Authorizing Instrument or the Bonds. Notwithstanding clause (b) above, the Participant shall not be obligated to pay any of the fees, costs and expenses in connection with administering the Loan except as follows: (1) the Finance Authority may request and the Participant shall promptly pay (no later than the date first above written), a closing fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (2) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), an annual administrative fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (3) the Finance Authority may request and the Participant shall promptly pay (no later than ten (10) days after any request), any Settlement Fee; (4) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-Use Fee in connection with the Loan, which may not be paid from a Loan disbursement; (5) for so long as the Finance Authority is the registered owner of the Bonds, at the direction of the Finance Authority, the interest rate on the Bonds may be adjusted to lower the interest rate on the Bonds, and the difference between the amount payable as the original rate on the Bonds and the lower rate shall be deemed an additional administrative fee in connection with the Wastewater SRF Program; and (6) the Participant shall only be obligated to pay fees, costs and expenses of the Finance Authority's counsel and financial advisers in connection with making the Loan up to \$40,000, which may be paid from a Loan disbursement.

**Section 5.10. Applicable Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

**Section 5.11. Term.** This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Bonds or provision for the payment of the Bonds pursuant to the Authorizing Instrument.

**Section 5.12. Non-Collusion.** The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Participant, that he/she has not, nor has any other officer or representative of the Participant, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Participant related to customary services rendered in connection with the Loan.

**Section 5.13. Federal Award Information.** The CFDA Number for the Finance Authority's Wastewater SRF Program (also known as the Clean Water SRF Loan Program) is 66.458 and the Federal Agency & Program Name is "US Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds."

(End of Article V)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

**SANITARY DISTRICT OF THE CITY OF  
TERRE HAUTE, INDIANA**

"Participant"

By: Timothy L. Adams  
Printed: Timothy L. Adams  
Title: Vice-President

Attest: [Signature]  
**CITY OF TERRE HAUTE, INDIANA**

"City"

By: Duke A. Bennett  
Printed: DUKE A BENNETT  
Title: Mayor

Attest: Leslie Ellis  
City Controller

**INDIANA FINANCE AUTHORITY**

"Finance Authority"

By: \_\_\_\_\_  
James P. McGoff  
Director of Environmental Programs

Attested by Finance Authority Staff:

By: \_\_\_\_\_

## **EXHIBIT A**

The Project of the Treatment Works involves undertaking project Planning and Design only related to the Main Lift Station Replacement and High Rate Treatment Phase II project, which phase is part of Terre Haute's Combined Sewer Overflow (CSO) – Long Term Control Plan (LTCP) which includes: increasing capture from the combined sewer area 003 via a 120-inch diameter Turner Street sewer; closing CSO 003; expanding the High Rate Treatment/Clarification facility by 16.25 million gallons per day (MGD) to 32.5 MGD; and replacing the Main Lift Station at CSO 002 and the 48-inch force main to the wastewater treatment plant.

The Project is more fully described in, and shall be in accordance with, the Preliminary Engineering Report and the Plans and Specifications approved by the Finance Authority (or if designated by the Finance Authority, the Department).

[End of Exhibit A]



**EXHIBIT B**  
**EXHIBIT B -Principal Payment Schedule**

<b>Maturity Date</b>	<b>Total Loan Principal Amount</b>
01/01/19	
07/01/19	
01/01/20	
07/01/20	
01/01/21	
07/01/21	
01/01/22	
07/01/22	
01/01/23	
07/01/23	
01/01/24	
07/01/24	
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07/01/31	
01/01/32	
07/01/32	
01/01/33	
07/01/33	
01/01/34	
07/01/34	
01/01/35	
07/01/35	
01/01/36	
07/01/36	
01/01/37	
07/01/37	
01/01/38	
<b>Total</b>	

[End of Exhibit B]

**EXHIBIT C**  
**Credit Instrument**

Credit Providers rated on a long term basis lower than "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc. are:

- None.

[End of Exhibit C]

**Exhibit D**  
**Additional Terms**

- A. *The following additional terms in this Paragraph A (related to costs of Planning or Design being treated as Eligible Costs under this Agreement and the related defined terms) are [NOT] applicable to the Loan:*

**“Equivalency Project”** shall mean a project designated by the Finance Authority as an “equivalency project” under the Clean Water Act related to the “US Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds” for the federal fiscal year ending September 30, 2018 (or such later federal fiscal year as the Finance Authority may otherwise designate).

**“A/E Services”** shall mean professional services related to the Planning or Design of the Project including for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services.

The Participant understands and acknowledges that the Project has been designated as an Equivalency Project and is required to meet the related applicable requirements of the Clean Water Act which among other requirements requires that for costs of Planning or Design (including costs for A/E Services) to be treated as Eligible Costs under this Agreement, such services (and the related contract) are required to be negotiated in the same manner as a contract for architectural and engineering services as negotiated under chapter 11 of title 40, United States Code (as amended). In connection with any request for disbursement of the Loan that is submitted by the Participant to the Finance Authority to provide for the payment of any costs of Planning or Design (including costs for A/E Services), the Participant represents and warrants that such costs relate only to services provided under a contract negotiated in the same manner as a contract for architectural and engineering services as negotiated under chapter 11 of title 40, United States Code (as amended).

- B. *The following additional terms in this Paragraph B (related to Fiscal Sustainability Plans and the related defined terms) are applicable to the Loan if the Participant submitted its Wastewater SRF Program application to the Finance Authority (or the Department) related to the Project on or after October 1, 2014:*

**“Fiscal Sustainability Plan”** means in connection with a project that provides for the repair, replacement, or expansion of an existing treatment works, a plan that is consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act and includes (a) an inventory of critical assets that are a part of the treatment works; (b) an evaluation of the condition and performance of inventoried assets or asset groupings; (b) a certification that the Participant has evaluated and will be implementing water and energy conservation efforts as part of the plan; and (d) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

The Participant understands and acknowledges that if the Participant submitted its Wastewater SRF Program application to the Finance Authority (or the Department) related to the Project (as and when determined consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act) on or after October 1, 2014, then this Paragraph B is applicable and unless the Participant has self-certified that the Participant has already developed and implemented a Fiscal Sustainability Plan that meets the requirements of this Paragraph, the Participant agrees to develop and implement a Fiscal Sustainability Plan that meets the requirements of this Paragraph B. The Participant acknowledges that its agreement to do a Fiscal Sustainability Plan as provided in this Paragraph was a condition of the Loan. The Participant further agrees to submit a certification (on and in a form as provided by the Finance Authority) related to the Participant's Fiscal Sustainability Plan prior to submitting its request for a final Loan disbursement related to the Project.

*C. The following additional terms in this Paragraph C (related to GPR Projects and the related defined terms) are [NOT] applicable to the Loan:*

**"GPR Projects"** shall mean Project components that meet the requirement of the "Green Project Reserve (GPR) Sustainability Incentive Program" consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act.

**"GPR Projects Adjustment Fee"** shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Wastewater SRF Program's interest rate policies and practices using the final, actual GPR Projects Expenditures (rather than the amount referenced in the Participant's business case or categorical exclusion posted at [www.srf.in.gov](http://www.srf.in.gov)), all as determined by the Finance Authority.

**"GPR Projects Expenditures"** shall mean those costs and expenses incurred by the Participant that are part of the Project which are GPR Projects in nature (within the meaning of the Wastewater SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program's interest rate policies and practices.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a GPR Projects project. In the event GPR Projects Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the Participant's business case or categorical exclusion, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a GPR Projects Adjustment Fee in connection with the Loan. Within ninety (90) days following Substantial Completion of Construction, the Participant shall certify to the Finance Authority those Loan disbursements it represents to be its GPR Projects Expenditures. The Participant understands and acknowledges that it is required to submit a business case or categorical exclusion documenting GPR Projects prior to loan closing

or if a request is made pursuant to Section 3.02(f) of this Agreement.

- D. *The following additional terms in this Paragraph D (related to Non-point Source Projects and the related defined terms) are [NOT] applicable to the Loan:*

**“Non-point Source Adjustment Fee”** shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Wastewater SRF Program’s interest rate policies and practices using the final, actual Non-point Source Expenditures (rather than the amount referenced in the Participant’s business case or categorical exclusion posted at [www.srf.in.gov](http://www.srf.in.gov)), all as determined by the Finance Authority.

**“Non-point Source Expenditures”** shall mean those costs and expenses incurred by the Participant that are Non-point Source Projects in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program’s interest rate policies and practices.

**“Non-point Source Projects”** shall mean Project components that meet the requirement of SRF Policy Guidelines and the Wastewater SRF Act to be non-point source in nature as determined by the Finance Authority.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a non-point source project. In the event Non-point Source Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the Participant’s business case or categorical exclusion, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-point Source Adjustment Fee in connection with the Loan. Within ninety (90) days following Substantial Completion of Construction, the Participant shall certify to the Finance Authority those Loan disbursements it represents to be its Non-point Source Expenditures.

[End of Exhibit D]

## Terre Haute Sanitary District

### *Policies and Procedures Respecting Management and Control of the Sewage Works of the Sanitary District*

Pursuant to Indiana Code 36-9-25, as amended (the "Act"), which has been adopted by the Common Council of the City of Terre Haute, Indiana (the "City") to apply to the City<sup>1</sup>, the Board of Sanitary Commissioners of the Sanitary District of the City (the "Sanitary District") has exclusive management and control of the sewage works of the Sanitary District.<sup>2</sup> In accordance with its obligations under the Act, the Board of Sanitary Commissioners of the Sanitary District (the "Board") has prepared these policies and procedures respecting the management and control of the sewage works of the Sanitary District (the "Policies and Procedures") to set forth in summary fashion the general authority and obligations of the Board in carrying out its duties under the Act. The Policies and Procedures are derived from the Board's authority under the Act and are in no way to be viewed as limiting or restricting the authority of the Board vested to it under the Act but are instead to be viewed as highlighting certain key aspects of such authority.

#### *Authority over Sewage Works*

The Board has exclusive authority to manage and control all sewage works of the District.<sup>3</sup> The sewage works includes all (i) sewage treatment plants, (ii) intercepting sewers, (iii) main sewers, (iv) submain sewers, (v) local sewers, (vi) lateral sewers, (vii) outfall sewers, (viii) storm sewers, (ix) force mains, (x) pumping stations, (xi) ejector stations and (xii) any other structures necessary or useful for the collection, treatment, purification and sanitary disposal of the liquid waste, solid waste, sewage, storm drainage and other drainage of the City.<sup>4</sup> In carrying out its functions, the Board may purchase, acquire, construct, reconstruct, operate, repair and maintain all sewage works.<sup>5</sup>

#### *Additional Powers and Duties of Board*

Pursuant to the Act, the Board has the following powers and duties in carrying out its obligation to manage and control all sewage works of the Sanitary District:

- If needed for the sewage works, condemn, appropriate, lease, rent, purchase, and hold any real or personal property within the Sanitary District or within 5 miles outside boundaries of the Sanitary District;
- Enter lots or lands for surveying property to determine the location of sewage works or other facilities necessary in connection with the operation of the sewage works;
- Design, order, contract for, construct, reconstruct, and maintain the sewage works;
- Build or have built roads, levees, walls, other structures, or lagoons necessary or desirable in connection with the sewage works;

<sup>1</sup> Section 9-3 of Terre Haute City Code.

<sup>2</sup> Indiana Code 36-9-25-9.

<sup>3</sup> Indiana Code 36-9-25-9.

<sup>4</sup> Indiana Code 36-9-1-8.

<sup>5</sup> Indiana Code 36-9-1-8.

- Regulate the discharge of sewage and trade waste from business owners and related facilities into the sewage works to prevent discharges that may interfere with the operation of the sewage works (this includes authority to review plans for privately constructed plants and facilities to preliminary treat any such discharge to the sewage works);
- Build or have built plants and all appurtenances for the treatment of sludge, pressing of sludge or converting sludge into fertilizer;
- Sell any byproducts from the sewage works;
- Compel property owners/holders which are discharging sewer to connect to the sewage works;
- Construct regulating devices in connection with combined sewers;
- Construct an incinerating or reduction plant in connection with the disposal of garbage, operate such a plant and sell byproducts therefrom
- Take charge of real and personal property in connection with the sewage works and any trash collection;
- Collect and remove, or contract for the collection and removal of, all garbage and have facilities constructed for the collection and disposal thereof;
- Enter into contracts in the name of the City with the approval of the Mayor;
- Employ staff and consultants in carrying out the duties of the Board;
- Adopt resolutions, rules and bylaws necessary to carry out its duties;
- Establish and collect fees for the use of the sewage works system;
- Sue or be sued in the name of the City; and
- Pay for services and other expenses by the issuance of bonds and temporary loans or from funds on hand.<sup>6</sup>

### ***Contracts Relating to Sewage Works***

Any and all contracts relating to the sewage works shall be subject to the prior approval of the Board. As the entity charged with the management and control of the sewage works, it is incumbent upon the Board to be aware of and approve all contracts relating to the sewage works. Consequently, contracts relating to the purchase or lease of property (real and/or personal), disposition of property (whether by lease or sale), construction of works, employment of personnel (including consultants), sale of byproducts, use of the sewage works (including treatment), management of the sewage works, and any such other contracts which concern the sewage works must be approved by the Board. The Board may, in its discretion, establish minimum threshold dollar amounts for certain contractual related items which do not require Board approval the authority to enter into which may be delegated to a representative of the Board (e.g., the Sanitary District engineer or sewage works Superintendent).

### ***Management of Sewage Works Funds***

All funds derived from the operation of the sewage works (including user fees) and from taxation by the Sanitary District for the payment of obligations, belong to the Sanitary District

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<sup>6</sup> Indiana Code 36-9-25-10.

and not to the City.<sup>7</sup> The expenditure of any funds of the sewage works is subject to payment by the Controller of the City upon approval of the Board.<sup>8</sup> The Board has complete and exclusive authority to expend money raised from the sewage works and from taxation by the Sanitary District to carry out its duties and responsibilities under the Act.<sup>9</sup> Consequently, any expenditure of moneys derived from the sewage works or by taxation by the Sanitary District is not valid unless that expenditure has been approved by the Board.

### *Fees for the Use of the Sewage Works*

Pursuant to the Act, the use of and services provided by the sewage works of the District shall be based upon fees established by the Board.<sup>10</sup> Fees established for the use of the sewage works shall be subject to prior approval by resolution of the Board, following a public hearing thereon, and approval by ordinance of the Common Council of the City in accordance with Section 11 of the Act. In connection with any proposed adjustment to the fees for the use of the sewage works of the District, the Board shall first cause to be prepared a rate study or similar financial analysis supporting the proposed fee adjustment, shall then introduce a rate resolution containing the proposed fees based upon the rate study or financial analysis, shall then advertise and hold a public hearing thereon and, finally, after consideration of all public input and other information presented to the Board, consider adoption of the rate resolution. The Board shall not implement any adjusted fees until the Board has adopted its approving resolution as hereinbefore described and the Common Council has adopted its ordinance approving the adjusted fees.

### *Issuance of Bonds for Sewage Works Projects*

The Board may cause to be issue bonds for the payment of sewage works projects of the Sanitary District.<sup>11</sup> The bonds may be payable from a tax levy on the Sanitary District or from fees from the use of the sewage works. In connection with the issuance of any such bonds, the Board shall adopt a bond resolution approving the specific terms and conditions of the bonds. With respect to any bonds payable from a tax levy, the approval of the Common Council shall also be required. All of the proceeds from the sale of bonds shall be held in a separate fund and used exclusively for the costs of the project and financing and related costs thereto.<sup>12</sup>

### *Approval and Construction of Sewage Works Projects*

In undertaking the approval and construction of sewage works projects of the Sanitary District, the Board shall approve any such projects by resolution of the Board. In accordance with Section 18 of the Act, the approval of sewage works projects of the Sanitary District shall be subject to the prior approval of the Board by a declaratory resolution, followed by a public hearing on the project and then final confirmation by resolution of the Board. The Board may

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<sup>7</sup> Indiana Code 36-9-25-33 and 36-9-25-37.

<sup>8</sup> Indiana Code 36-9-25-37.

<sup>9</sup> Indiana Code 36-9-25-37.

<sup>10</sup> Indiana Code 36-9-25-11.

<sup>11</sup> Indiana Code 36-9-25-27.

<sup>12</sup> Indiana Code 36-9-25-28.



advertise for and receive construction bids for projects confirmed by resolution of the Board.<sup>13</sup> The process for advertising and receiving bids shall be subject to the terms and provisions of Section 26 of the Act.

***Requests and Reporting to the Board***

With respect to any matters herein described which are subject to the authority of the Board, any individual or entity seeking the Board's approval for an action shall notify the Board in advance through the City Engineer. The City Engineer shall then take the matter under advisement with the Board, taking into account any necessary additional information and advice as the Board deems necessary, and any such matter shall be subject to the prior approval of the Board. As hereinbefore provided, the Board may, as it deems necessary in carrying out the day to day functions and responsibilities of the Board, delegate the authority to approve certain administrative matters to the Sanitary District Engineer and/or Superintendent of the sewage works.

[End of Exhibit E]

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<sup>13</sup> Indiana Code 36-9-25-26.