

BOARD OF SANITARY COMMISSIONERS
MUNCIE SANITARY DISTRICT

BOND RESOLUTION NO. 2021-04

A Resolution of the Board of Sanitary Commissioners of the Muncie Sanitary District concerning the construction of additions and improvements to the sewage works system of the Muncie Sanitary District; the refunding of its Sanitary District Revenue and Refunding Revenue Bonds, Series 2013, Sanitary District Revenue Bonds, Series 2013B, and Sanitary District Revenue Bonds, Series 2014; the refunding of its Sanitary District Bond Anticipation Notes, Series 2017 and Sanitary District Bond Anticipation Notes, Series 2019; the issuance of revenue and refunding 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 and refunding revenue bonds; other matters connected therewith, including the issuance of notes in anticipation of bonds; and repealing resolutions inconsistent herewith

WHEREAS, the Board of Sanitary Commissioners (the "Board") of the Muncie Sanitary District (the "Sanitary District") of the City of Muncie, Indiana (the "City") has heretofore established, constructed and financed its sewage works, which sewage works includes the storm water systems of the Sanitary District, 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 attached hereto and made a part hereof) (collectively, the "Project"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, 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 February 10, 2021, the Board, being the governing body of the Sanitary District, adopted Declaratory Resolution No. 2021-03 (the "Declaratory Resolution"), declaring that it is necessary for the public health and welfare and will be of public utility and benefit to construct the Project as more fully described in said Declaratory Resolution; and

WHEREAS, on February 24, 2021, after notice and public hearing thereon, the Board is anticipated to confirm the Declaratory Resolution by the adoption of a confirmatory resolution (the "Confirmatory Resolution"); and

WHEREAS, the Sanitary District will advertise for and receive bids for the construction of the Project; said bids will be subject to the Sanitary District's determination to construct the Project and subject to the Sanitary District obtaining funds to pay for the Project; that on the basis of the estimates of its engineers, the cost of the Project, as defined in IC 36-9-1-8, including estimated incidental expenses, is in the estimated amount of Thirty Million Dollars (\$30,000,000); and

WHEREAS, the Board finds that there are outstanding bonds of the Sanitary District payable out of the Net Revenues (as hereinafter defined) of the sewage works designated as the (i) Sanitary District Revenue and Refunding Revenue Bonds, Series 2013 (the "2013 Bonds"), dated May 15, 2013, now outstanding in the aggregate principal amount of \$20,645,000 and maturing on January 1, 2033, (ii) Sanitary District Revenue Bonds, Series 2013B (the "2013B Bonds"), dated December 12, 2013, now outstanding in the aggregate principal amount of \$3,034,000 and maturing on January 1, 2030, and (iii) Sanitary District Revenue Bonds, Series 2014 (the "2014 Bonds"), dated June 26, 2014, now outstanding in the aggregate principal amount of \$13,240,000 and maturing on January 1, 2030, which 2013 Bonds, 2013B Bonds and 2014 Bonds constitute a first charge on the Net Revenues of the sewage works, on a parity with the Outstanding Parity Bonds (as hereinafter defined); and

WHEREAS, the Board finds that the outstanding 2013 Bonds, 2013B Bonds and 2014 Bonds (collectively, the "Refunded Bonds") should be currently refunded pursuant to the provisions of IC 5-1-5, as amended, to enable the Sanitary District to obtain a reduction in interest payments and effect a savings to the Sanitary District; and

WHEREAS, the Board finds that there are outstanding bond anticipation notes of the Sanitary District designated as the (i) Sanitary District Bond Anticipation Notes, Series 2017 (the "2017 BANs"), dated December 22, 2017, now outstanding in the aggregate principal amount of \$20,840,000 and maturing on July 1, 2021, and (ii) Sanitary District Bond Anticipation Notes, Series 2019 (the "2019 BANs"), dated August 27, 2019, now outstanding in the aggregate principal amount of \$16,980,000 and maturing on July 1, 2024; and

WHEREAS, the Board finds that the 2017 BANs and 2019 BANs, which were authorized and issued pursuant to the Act to provide interim financing for improvements to the sewage works, should be refinanced with the proceeds of revenue bonds to be issued pursuant to this resolution; and

WHEREAS, the Board finds that the Sanitary District has funds on hand in the approximate amount of \$7,266,500 available to apply on the costs of refinancing of the 2017 BANs and 2019 BANs (collectively, the "Refunded BANs"), and that it is necessary to finance the remaining costs of refinancing the Refunded BANs, together with the costs of refunding the Refunded Bonds and the costs of the Project, by the issuance of revenue and refunding revenue bonds of the Sanitary District, in one or more series, in an aggregate principal amount not to exceed One Hundred Million Dollars (\$100,000,000); and

WHEREAS, in order to provide interim financing for costs of the Project, the Board hereby authorizes the issuance of bond anticipation notes (“BANs”), if necessary, of the Sanitary District in an aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000); and

WHEREAS, in addition to the Refunded Bonds, the Board finds that there are outstanding bonds payable out of the Net Revenues of the sewage works designated as the (i) Sanitary District Revenue Bonds, Series 2016A (the “2016 Bonds”), dated July 27, 2016, now outstanding in the aggregate principal amount of \$59,265,000 and maturing semiannually on January 1 and July 1 over a period ending January 1, 2037, and (ii) Sanitary District Refunding Revenue Bonds, Series 2017 (the “2017 Bonds”), dated July 27, 2017, now outstanding in the aggregate principal amount of \$8,650,000 and maturing on January 1, 2027, which 2016 Bonds and 2017 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, IC 5-1-5, as amended, and the terms and restrictions of this resolution; and

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

WHEREAS, the Board has been advised by its municipal advisor that it may be economically efficient to acquire a municipal bond insurance policy for the bonds hereby authorized; 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 and IC 5-1-5, as amended;

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

Section 1. Authorization of Project; Refunding of Refunded Bonds and Refunded BANs.

(a) The Sanitary District will proceed with the construction of the Project as set out in Exhibit A hereto and in the Declaratory Resolution, as will be 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 Project is expected to not exceed Thirty Million Dollars (\$30,000,000), plus investment earnings on the BAN and bond proceeds. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned and the Act, which Project is hereby approved.

(b) The Sanitary District will proceed with the refunding of the Refunded Bonds thereby reducing its interest payments and effecting a savings, as reported by the Sanitary District's municipal advisor, Baker Tilly Municipal Advisors, LLC. The Sanitary District shall apply any amounts held for the payment of debt service on the Refunded Bonds to the refunding as provided in Section 17(a). If, at the time of the sale of the Bonds the Controller determines, with the advice of the Sanitary District's municipal advisor, that it would not be economically advantageous to the Sanitary District to refund any particular series of the Refunded Obligations, such Refunded Obligations shall remain outstanding. In such case, the term "Outstanding Parity Bonds" as defined herein shall be deemed to include such Refunded Obligations which have not been refunded with the Bonds and remain outstanding.

(c) The Sanitary District will proceed with the refunding of the Refunded BANs. The Sanitary District shall apply any unexpended proceeds of the Refunded BANs not otherwise necessary for any costs of the projects initially funded thereby to the refunding of the Refunded BANs.

(d) The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this resolution shall be construed to mean and include the existing sewage works system 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 bonds herein authorized shall be issued pursuant to and in accordance with the Act and IC 5-1-5, as amended.

Section 2. Issuance of BANs.

(a) 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 Project and (ii) costs incurred in the issuance of the BANs. The BANs may be issued in an aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000) to be designated "Sanitary District Bond Anticipation

Notes, Series 202__”, 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 (i) Five Thousand Dollars (\$5,000) or integral multiples thereof or (ii) One Hundred Thousand Dollars (\$100,000) and any Five Thousand Dollar (\$5,000) integral multiples in excess thereof, as designated in the purchase agreement for the BANs, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 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. Interest on the BANs may, as determined by the Controller, with the advice of the Sanitary District’s municipal advisor, also be payable semiannually on January 1 and July 1 of each year, commencing on the first January 1 or July 1 following delivery of the BANs.

(b) Each series of BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 5.0% 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 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.

(c) The BANs shall be issued pursuant to IC 5-1-14-5. 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. Interest on the BANs may also be payable from Net Revenues, junior and subordinate to the payment of the Outstanding Parity Bonds, any bonds issued under this resolution and any bonds issued subsequent to the date of delivery of the BANs, but while the BANs are outstanding. If any principal of or interest on the BANs to be paid from Net Revenues is to occur on a date other than January 1 or July 1, by reason of maturity or redemption, such payment may only occur if all of the principal and interest on all then outstanding bonds of the sewage works of the Sanitary District due on the next succeeding principal and interest payment date is fully accumulated in the Bond and Interest Account of the Sewage Works Sinking Fund as hereinafter described.

Section 3. Issuance of Bonds.

(a) The Sanitary District shall issue its bonds, in one or more series, in the aggregate principal amount not to exceed One Hundred Million Dollars (\$100,000,000), to be designated “Sanitary District Revenue [and Refunding Revenue] Bonds, Series 202__”, 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 Project, (ii) refunding the Refunded Bonds, (iii) refunding the Refunded BANs, (iv) refunding the BANs, if issued, and (v) issuance costs, including, if necessary, cost for municipal bond insurance. The Bonds shall be issued and sold at a price not less than 99.0% of the par value thereof (such calculation of price for this purpose shall be based solely upon the par amount of the Bonds less the underwriter’s discount), in fully registered form in denominations of (i) Five Thousand Dollars (\$5,000) each or integral multiples thereof or (ii) One Hundred Thousand Dollars (\$100,000) and any Five Thousand Dollar (\$5,000) integral multiple in excess thereof, as determined by the Controller, with the advice of the Sanitary District’s municipal advisor. 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 5.0% per annum (the exact rate or rates to be determined by negotiation). Interest shall be 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 on January 1 and July 1, over a period ending no later than July 1, 2041. The Bonds shall mature in such amounts that produce (i) as level annual debt service as practicable with \$5,000 denominations, (ii) as level annual debt service as practicable with \$5,000 denominations and taking into account the debt service on the Outstanding Parity Bonds and all other series of Bonds issued under this resolution, or (iii) such other level of debt service as deemed most economically efficient to the Sanitary District, as determined by the Controller with the advice of the Sanitary District's municipal advisor.

(b) All or a portion of each series of Bonds may be issued as one or more term bonds, upon election of the purchaser of the Bonds. 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 of the Bonds, 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.

(c) The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues 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.

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

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

Section 4. Registrar and Paying Agent.

(a) 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.

(b) As to the BANs and as to the Bonds, if sold to any 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.

(c) 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).

(d) 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.

(e) 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.

(f) 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.

(g) 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 17 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.

(h) Interest on Bonds 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.

Section 5. Book-Entry Provisions.

(a) The Board may, upon the advice of the Sanitary District's municipal advisor, 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"). In such case, 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 and the terms of this Section 5 shall apply to the Bonds. 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) The Sanitary District may, upon the advice of its municipal advisor, have the BANs held in the custody of the Depository Trust Company. In such case, the aforementioned terms and conditions of this Section 5 shall apply to the BANs.

Section 6. Redemption of BANs.

The BANs are prepayable by the Sanitary District, in whole or in part, upon 20 days' notice to the owner of the BANs, without any premium, on such dates as shall be determined by the Controller, with the advice of the Sanitary District's municipal advisor, prior to the sale of the BANs.

Section 7. Redemption of Bonds.

(a) The Bonds are redeemable at the option of the Sanitary District, but no sooner than July 1, 2025, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Sanitary District, and by lot within a maturity, at face value, with no premium, plus accrued interest to the date fixed for redemption. The exact

redemption dates shall be established by the Controller, with the advice of the Sanitary District's municipal advisor, prior to the sale of the Bonds.

(b) 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.

(c) Each \$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 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.

(d) Notice of redemption shall be given not less than thirty (30) days 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 forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption 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 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds.

(a) 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.

(b) 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 9. 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 Muncie, 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. R-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF DELAWARE

CITY OF MUNCIE

SANITARY DISTRICT REVENUE [AND REFUNDING REVENUE] BOND,
SERIES 202__ __

Interest	Maturity	Original	Authentication	
<u>Rate</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>CUSIP</u>

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Muncie (the "City"), in Delaware 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, on the Maturity Date set forth above (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 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, 202_, 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, 202_. 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 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 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, on a parity with the Outstanding Parity Bonds (as defined in the hereinafter defined Bond Resolution).

This Bond is 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 the Refunded Bonds [and Refunded BANs] ([each] as defined in the Bond Resolution)], to refund interim notes issued in anticipation of the Bonds, and to pay incidental expenses, all as more particularly described in Declaratory Resolution No. 2021-__ adopted on February 10, 2021, as confirmed by Confirmatory Resolution No. 2021-__ adopted on February 24, 2021, which bonds are authorized by Resolution No. 2021-__ adopted by the Board of Sanitary Commissioners of the Sanitary District on the 10th day of February, 2021 (the "Bond Resolution"), and in strict compliance with the provisions of Indiana Code 36-9-25 (the "Act") [and Indiana Code 5-1-5], each as in effect on the issue date of the Bonds.

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

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 [and Refunding] Revenue Bonds, Series 202__ (the "Series 202__ 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 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 is a part ranks on a parity with the [Series 202__ 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 202__ 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, 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 thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Sanitary District and by lot within a maturity, at face value, with no premium, plus accrued interest to the date of redemption.

[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 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 forty-five (45) days prior to such redemption date, not less than 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 [\$5,000 or any integral multiple][\$100,000 and any \$5,000 integral multiple in excess thereof] 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 Muncie, in Delaware County, Indiana, has caused this Bond to be executed in the name of the City for and on behalf of the Muncie 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 MUNCIE, 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

[MUNICIPAL BOND INSURANCE LEGEND]

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.

End of Bond Form

Section 10. Preparation and Sale of BANs and Bonds; Official Statement; Refunding Escrow; Bond Insurance.

(a) 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 Bonds to Robert W. Baird & Co. Incorporated (the "Underwriter") in accordance with an agreement for the purchase of the Bonds between the Sanitary District and the Underwriter (the "Purchase Agreement"). The substantially final form of Purchase Agreement between the Sanitary District and the Underwriter is attached hereto as Exhibit B and is hereby approved by the Board. The Mayor and the Controller are hereby authorized to execute the Purchase Agreement and deliver the Bonds to the Underwriter so long

as their terms are consistent with this resolution. The Purchase Agreement shall establish a final principal amount, purchase price, interest rates, maturity schedule and redemption features. The Underwriter may serve as a placement agent for all or any series of the Bonds if a placement of the Bonds would be economically advantageous to the Sanitary District, as determined by the Controller with the advice of the Sanitary District's municipal advisor. In such case, the purchaser of the Bonds shall execute the Purchase Agreement which shall be in substantially the form set forth in Exhibit B with such modifications as necessary to reflect a placement of the Bonds, provided such modifications are consistent with the provisions of this resolution.

(b) The Bonds, when fully paid for and delivered to the purchaser thereof, shall be the binding special revenue 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 (i) the Project hereinbefore referred to, (ii) the refunding of the Refunded Bonds, (iii) the refunding of the Refunded BANs, (iv) the refunding of the BANs, if issued, and (v) 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.

(c) 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 or private placement memorandum on behalf of the Sanitary District 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.

(d) 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 at the time of delivery of the Bonds which satisfies applicable state and federal securities laws.

(e) The Controller is hereby authorized to appoint a financial institution to serve as escrow trustee (the "Escrow Trustee") for the Refunded Bonds in accordance with the terms of the Escrow Agreement between the Sanitary District and the Escrow Trustee (the "Escrow Agreement"). The substantially final form of Escrow Agreement attached hereto as Exhibit C is hereby approved by the Board, and the Mayor and the Controller are hereby authorized and directed to complete, execute and attest the same on behalf of the Sanitary District so long as its provisions are consistent with this resolution.

(f) The execution, by either the Mayor, the Controller, the Underwriter, the Escrow Trustee, or the Sanitary District's municipal advisor, of a subscription for United States Treasury Obligations – State and Local Government Series for investment of proceeds of the Bonds allocable to the refunding of the Refunded Bonds to be held under the Escrow Agreement in a manner consistent with this resolution is hereby approved.

(g) The Controller, with the advice of the Sanitary District's municipal advisor, is hereby authorized to obtain one or more ratings for the Bonds if such rating or ratings will facilitate the sale of the Bonds.

(h) In the event the municipal advisor to the Sanitary District certifies to the Sanitary District that it would be economically advantageous for the Sanitary District to obtain bond insurance for the Bonds, the Sanitary District hereby authorizes the purchase of such bond insurance. In such case, the Mayor, the Controller and the Clerk are hereby authorized to execute and deliver all agreements with the provider of the bond insurance to the extent necessary to comply with the terms of such bond insurance and the commitment to issue such bond insurance. The acquisition of bond insurance is hereby deemed economically advantageous if the difference between the present value of (i) the total debt service on the Bonds if issued without the bond insurance and (ii) the total debt service on the Bonds if issued with the bond insurance, is greater than the cost of the premium for the bond insurance. The cost of obtaining bond insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the sewage works.

Section 11. Reserved.

Section 12. Financial Records and Accounts; Continuing Disclosure.

(a) 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.

(b) 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 in substantially the form attached hereto as Exhibit D, 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.

Section 13. 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 14. Use of Proceeds.

Proceeds of the Bonds shall be applied as follows and in the following order:

(a) *First*, the accrued interest received at the time of the delivery of the Bonds, if any, shall be deposited in the Sinking Fund (as hereinafter defined).

(b) *Second*, concurrently with the delivery of the Bonds the Controller shall use the proceeds of the Bonds to refund the Refunded Bonds by either or a combination of:

(i) acquiring, with proceeds of the Bonds and cash on hand, direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to be used, together with certain cash from the proceeds of the Bonds and cash on hand as set forth in the Escrow Agreement to currently refund and legally defease the Refunded Obligations all as set forth in the Escrow Agreement. Alternatively, and with the advice of the City's municipal advisor, the Controller shall deposit with the Escrow Trustee proceeds of the Bonds to be held as cash under the Escrow Agreement to currently refund and legally defease the Refunded Bonds, all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Controller shall deposit Government Obligations, cash, or a combination thereof, with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide money for payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds until the earliest date upon which the Refunded Bonds may be called for redemption. The Controller shall obtain a verification of an accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said current refunding and legal defeasance of the Refunded Bonds; or

(ii) delivering cash to the holder of the Refunded Bonds, from proceeds of the Bonds, in an amount sufficient to provide for the redemption in full of the then outstanding principal of, redemption premium, if any, and interest on the Refunded Bonds. The Controller shall obtain a verification of an accountant as to the required dollar amount necessary to be delivered to the holders of the Refunded Bonds to accomplish said refunding of the Refunded Bonds as of the date of delivery of the Bonds. The Controller is hereby authorized to contact the holder of the Refunded Bonds, deliver any necessary notices of redemption and take any such further actions as are necessary to permit the redemption of the Refunded Bonds on the date of delivery of the Bonds.

(c) *Third*, concurrently with the delivery of the Bonds the Controller shall provide for the payment to the holders of the Refunded BANs of an amount sufficient to pay all outstanding principal, plus accrued interest to the date of payment, due on the Refunded BANs. Any unexpended proceeds of the BANs not needed for completion of the improvements to be funded with the proceeds of the Refunded BANs shall be applied to the refunding of the Refunded BANs.

(d) *Fourth*, 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 “Muncie Sanitary District, Sewage Works Construction Account” (the “Construction Account”). 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. Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of 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.

(e) All funds deposited to the credit of the Sinking Fund or the 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.

(f) Prior to the delivery of the Bonds or BANs, the Controller shall obtain the legal opinion of Bose McKinney & Evans LLP, bond counsel, of Indianapolis, Indiana, and shall furnish such opinion to the purchaser of the Bonds or BANs. The cost of the opinion shall be considered as part of the costs incidental to the issuance of the Bonds or BANs and shall be paid out of the proceeds thereof.

Section 15. 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 5-13, as amended and supplemented.

Section 16. 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 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 17. Sewage Works Sinking Fund.

There is hereby continued the Sewage Works Sinking Fund (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, 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. Any moneys heretofore accumulated to pay principal of and interest on the Refunded Bonds shall be credited to and become a part of the Trust Account under the Escrow Agreement and shall be applied on the first payments made from the Trust Account or otherwise applied to the refunding of the Refunded Bonds. 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"). 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 Requirement may be satisfied with cash, Net Revenues, a debt service reserve surety, or a combination thereof. So long as the Outstanding Parity Bonds remain outstanding, the surety must be issued by an insurance company rated in the highest category by S&P Global Ratings (“S&P”) and Moody’s Investors Service (“Moody’s”). Once the Outstanding Parity Bonds are no longer outstanding, the surety must be issued by an insurance company rated in one of the three highest rating categories by either S&P or Moody’s, with such rating being assessed at the time the surety bond is acquired, and not on any date thereafter.

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. 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.

Section 18. 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. 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 reserve 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. 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. The Sanitary District reserves the right to transfer PILOTs from the Improvement Fund, no more frequently than semiannually, in accordance with the Act, 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.

Section 19. 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 20. 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 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 by this resolution.

Section 21. Maintenance of Books and Records.

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 22. Rate Covenant.

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) to provide for the proper and reasonable expenses of operation, repair and maintenance of the sewage works, to comply with and satisfy all covenants contained in this resolution and to pay all obligations of the sewage works and of the Sanitary District with respect to the sewage works, including the sums required to be paid into the Sinking Fund by the Act 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, repair and maintenance of the sewage works 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.

Section 23. 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 24. 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. 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 17(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.

(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.

Section 25. 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 Project 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. 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.

(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.

(f) Except as hereinbefore provided in Section 24 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 23 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) 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.

(h) 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 27(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.

(i) 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.

Section 26. 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 27. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 25(h), 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 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 28. 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 (“BAN Purchase Agreement”) to be entered into between the Sanitary District and the purchaser of the BAN or BANs. 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 Project 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 BAN Purchase 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 29. 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.

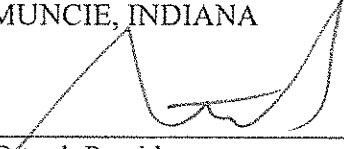
Section 30. Tax Exemption. Notwithstanding any other provisions of this resolution, the covenants and authorizations contained in this resolution (the “Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (the “Tax Exemption”) 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 31. 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 Refunded Bonds or the Refunded BANs.


Section 32. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 10th day of February, 2021.

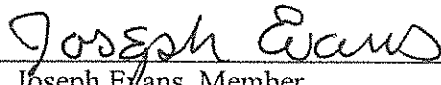
BOARD OF SANITARY COMMISSIONERS
SANITARY DISTRICT OF THE
CITY OF MUNCIE, INDIANA




Stephen Brand, President



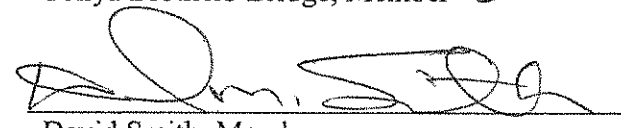
Brian Stephens-Hotopp, Vice-President



Joseph Evans, Member



Tonya Brothers-Bridge, Member



David Smith, Member

ATTEST:



Megan Huff, Recording Secretary

EXHIBIT A

Description of Project

- **CSO 007 Partial Separation** - CSO 007 is located at the North end of the High Street bridge. Sanitary sewer separation and stormwater improvements will take place in the area bounded by Wheeling Avenue, Neely Avenue, Ace Street and Pauline Street. Reduction of CSO overflow events and drainage issues will be the main focus of this project.
- **CSO 013 Partial Separation** – CSO 013 is located at the southern terminus of College Avenue. Sanitary sewer separation will take place from White River Blvd. north to Main Street between McKinley and Nichols Avenue. Reduction of CSO overflow events and improvements in stormwater drainage is the impetus for this project.
- **CSO 023 Partial Sewer Separation** – CSO 023 is located at the southern terminus of Elliott Street, discharging into Buck Creek. Main impetus of this project is to improve drainage in the area from Buck Creek to 13th Street, between Elliott and Birch Streets.
- **CSO 028 Continuation Separation Project** – CSO 028 is located on High Street, west of High Street bridge. This project is a continuation of a separation project began in 2016, encompassing a large portion of the Downtown Muncie area.

EXHIBIT B

Form of Bond Purchase Agreement

CITY OF MUNCIE, INDIANA

\$ _____
SANITARY DISTRICT REVENUE BONDS, SERIES 2021A

AND

\$ _____
[TAXABLE] SANITARY DISTRICT REFUNDING REVENUE BONDS, SERIES 2021B

BOND PURCHASE AGREEMENT

_____, 2021

City of Muncie, Indiana
300 North High Street
Muncie, Indiana 47305
Attention: Mayor

Ladies and Gentlemen:

The undersigned, Robert W. Baird & Co. Incorporated (the "Underwriter") offers to enter into the following purchase agreement (this "Bond Purchase Agreement") with the City of Muncie, Indiana (the "Issuer"), acting for an on behalf of the Board of Sanitary Commissioners ("Board") of the Sanitary District of the Issuer ("District"), which, upon the Issuer's acceptance of this offer, will be binding upon the Issuer and the Underwriter. This offer is made subject to the Issuer's acceptance of this Bond Purchase Agreement, which acceptance shall be evidenced by the execution of this Bond Purchase Agreement by a duly authorized officer of the Issuer, on or before 5:00 P.M., Eastern Time, on the date hereof. Upon such acceptance, execution and delivery, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as set forth in the Preliminary Official Statement (as defined below).

1. Purchase and Sale. (a) Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the \$ _____ aggregate principal amount of the Issuer's Sanitary District Revenue Bonds, Series 2021A (the "2021A Bonds"), dated the date of payment for and the delivery of the 2021A Bonds (such payment and delivery being herein sometimes called the "Closing"). The purchase price for the 2021A Bonds shall be \$ _____ (principal amount of the 2021A Bonds, plus [net] original issue premium of \$ _____, less underwriter's discount of \$ _____) (the "2021A Purchase Price"). The Underwriter shall pay the 2021A Purchase

Price for the 2021A Bonds on the day of the Closing by wiring the 2021A Purchase Price, at the Issuer's direction, to the Issuer's account.

(b) Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of the Issuer's [Taxable] Sanitary District Refunding Revenue Bonds, Series 2021B (the "2021B Bonds" and together with the 2021A Bonds, the "Bonds"), dated the date of payment for and the delivery of the 2021B Bonds. The purchase price for the 2021B Bonds shall be \$_____ (principal amount of the 2021B Bonds, plus [net] original issue premium, less underwriter's discount of \$_____) (the "2021B Purchase Price"). The Underwriter shall pay the 2021B Purchase Price for the 2021B Bonds on the day of the Closing by wiring the 2021B Purchase Price, at the Issuer's direction, to the Issuer's account.

(c) The Bonds will be issued and secured pursuant to an authorizing Resolution No. _____ that the Board adopted on _____, 2021 (the "Bond Resolution").

[(d) The Bonds are secured by the "Sinking Fund" (as defined in the Bond Resolution) to which fund there has been legally pledged the Net Revenues (as defined in the Bond Resolution) on a parity with the Issuer's [**list outstanding parity obligations**]. The Bonds shall be dated the date of the Closing, shall mature on the dates and in the amounts, shall bear interest at the rates and shall have the terms stated in Exhibit A attached hereto.]

(e) The proceeds received by the Issuer from the sale of the Bonds will be used for the purpose of for the purpose of [(i) funding additional projects; (ii) refunding the outstanding (a) Sanitary District Revenue and Refunding Revenue Bonds, Series 2013, (b) Sanitary District Revenue Bonds, Series 2013 B, (c) Sanitary District Revenue Bonds, Series 2014, (d) Sanitary District Bond Anticipation Notes, Series 2017, and (e) Sanitary District Bond Anticipation Notes, Series 2019 (collectively, (a)-(e) are referred to herein as the "Prior Bonds"); and (iii) to pay issuance costs.]

2. Sale of All the Bonds; Offering. It shall be a condition to the Issuer's obligation to sell and deliver the Bonds to the Underwriter, and to the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Issuer and accepted and paid for by the Underwriter at the Closing. The Underwriter intends to make a bona fide public offering of all the Bonds at a price or prices not in excess of the initial public offering price or prices set forth on the inside front cover page of the Official Statement. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts or mutual funds) at prices lower than such public offering prices. The Underwriter reserves the right to make such changes in such prices as the Underwriter shall deem necessary in connection with the offering of the Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the [2021A] Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or

similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the [2021A] Bonds.

(b) Except as otherwise set forth in Exhibit B attached hereto, the Issuer will treat the first price at which 10% of each maturity of the [2021A] Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of [2021A] Bonds. If at that time the 10% test has not been satisfied as to any maturity of the [2021A] Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold [2021A] Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the [2021A] Bonds of that maturity or until all [2021A] Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the [2021A] Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the [2021A] Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the [2021A] Bonds, the Underwriter will neither offer nor sell unsold [2021A] Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the [2021A] Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the [2021A] Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the [2021A] Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold [2021A] Bonds of each maturity allotted to it until it is notified by the Underwriter that either the

10% test has been satisfied as to the [2021A] Bonds of that maturity or all [2021A] Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the [2021A] Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the [2021A] Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the [2021A] Bonds.

(e) The Underwriter acknowledges that sales of any [2021A] Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the [2021A] Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the [2021A] Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the [2021A] Bonds to the public),
- (iii) a purchaser of any of the [2021A] Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

4. Official Statement; Continuing Disclosure Undertaking. (a) The Issuer hereby ratifies and approves the Preliminary Official Statement dated _____, 2021 (the "Preliminary Official Statement"), and consents to its distribution and use by the Underwriter prior to the date hereof in connection with the public offering and sale of the Bonds. The Issuer confirms that the Preliminary Official Statement was "deemed final" by the Issuer as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule").

Upon acceptance of this offer, the Issuer shall prepare a final Official Statement and shall, within the earlier of seven (7) business days following the date hereof or two (2) business days prior to the Closing Date (as hereinafter defined), deliver to the Underwriter printed copies of such final Official Statement (such final Official Statement, together with any amendment or supplement thereto, being the "Official Statement") in sufficient quantity as may reasonably be required by the Underwriter in order to comply with the Rule and any applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer hereby authorizes and approves the Official Statement and consents to the use and distribution of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. At the time of or prior to the Closing, the Underwriter will file, or cause to be filed, the Official Statement with the MSRB. In addition, the Issuer hereby approves and authorizes the Underwriter to coordinate the printing of the Official Statement and consents to the electronic distribution of the Official Statement.

(b) The Issuer will agree to enter into a written agreement or contract, constituting an undertaking (the "Continuing Disclosure Agreement") to provide ongoing disclosure about the Issuer, the Board, and the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of the Rule. The Continuing Disclosure Agreement shall be as described in the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter. The Issuer has not failed to comply in the previous five years in all material respects with undertakings previously entered into pursuant to the Rule, except as may otherwise be provided in the Preliminary Official Statement.

5. The Issuer hereby represents, warrants and covenants that:

(a) The Issuer is a duly created and existing public and governmental body acting as a municipality pursuant to the laws of the State of Indiana, and is authorized pursuant to the laws of the State of Indiana and the Bond Resolution to issue the Bonds.

(b) The Issuer and Board have full legal right, power and authority to (i) adopt the Bond Resolution, the Declaratory Resolution, and the Confirmatory Resolution, and irrevocably pledge the [Sinking Fund and Net Revenues] as security for the payment of the principal of, premium, if any, and interest on the Bonds; (ii) execute and deliver this Bond Purchase Agreement; (iii) issue, sell and deliver the Bonds to the Underwriter as provided in this Bond Purchase Agreement; (iv) approve and authorize the distribution of the Preliminary

Official Statement and the Official Statement; and (v) carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Bond Resolution, the Declaratory Resolution, and the Confirmatory Resolution, and the Continuing Disclosure Agreement, and the Official Statement.

(c) Each of the Bond Resolution, the Declaratory Resolution, and the Confirmatory Resolution, has been duly adopted by the Board, and the Issuer has duly authorized all necessary action to be taken by the Issuer for: (i) the offering, issuance, sale, and delivery of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the execution and delivery by the Issuer of the Bonds, this Bond Purchase Agreement and the Continuing Disclosure Agreement and the performance of its obligations under the Bonds, this Bond Purchase Agreement, the Bond Resolution, the Declaratory Resolution, and the Confirmatory Resolution, the Continuing Disclosure Agreement and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement (the "Issuer Documents"); and (iii) the authorization of the use and distribution of the Official Statement.

(d) The Bond Resolution, the Declaratory Resolution, the Confirmatory Resolution, this Bond Purchase Agreement and any other instrument or agreement to which the Issuer is a party in connection with the consummation of the transactions contemplated by the foregoing documents, when executed, as applicable, and delivered by the parties hereto, constitutes a legal, valid and binding obligation of the Issuer (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State of Indiana and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

(e) When delivered to and paid for by the Underwriter at the Closing, in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated and delivered by the Issuer and will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State of Indiana and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity) and will be entitled to the benefits of, and secured as provided in, the Bond Resolution.

(f) The Issuer and the Board have complied, and will at the Closing be in compliance, in all material respects, with the Bond Resolution and all other agreements relating to projects undertaken by the Issuer or with respect to which the Issuer has assumed responsibility; the Issuer will enter into the Continuing Disclosure Agreement; and except as otherwise disclosed in the Official Statement, the Issuer has complied in all material respects with all of its previous continuing disclosure obligations under the Rule.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened or reasonably anticipated against or affecting the Issuer (or, to the knowledge of the Issuer, any meritorious basis therefor), the Board, or the District (i) attempting to limit, enjoin or otherwise restrict or prevent the Issuer or Board from functioning or contesting or questioning the existence of the Issuer or Board or the titles of the present officers of the Issuer or Board to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the existence or powers of the Issuer or the Board or the validity or enforceability of the Bonds, the Bond Resolution, the Declaratory Resolution, the Confirmatory Resolution, this Bond Purchase Agreement, the Continuing Disclosure Agreement, or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby including, without limitation, the documents described in (B) below or by the aforesaid documents; or (B) materially adversely affect (1) the transactions contemplated by the Issuer Documents or the Official Statement, (2) the exemption of the interest on the [2021A] Bonds from federal or State of Indiana income taxation, or [(3) the exemption of the interest on the 2021B Bonds from State of Indiana income taxation].

(h) The adoption of the Bond Resolution, the Declaratory Resolution, and the Confirmatory Resolution, and its execution and delivery of the Issuer Documents and the Bonds, and compliance with the provisions thereof and hereof, do not and will not conflict with or constitute, on the Issuer's part or the Board's part, a violation of, breach of or default under any material statute, existing law, administrative regulation, filing, decree or order, state or federal, or any provision of the Constitution or laws of the State of Indiana, or any rule or regulation of the Issuer, or any material indenture, mortgage, lease, deed of trust, note, resolution, or other agreement or instrument to which the Issuer, Board, or District, or its properties, are subject or by which the Issuer, Board, or District, or its properties, are or may be bound or, to the knowledge of the Issuer, any order, rule or regulation of any regulatory body or court having jurisdiction over the Issuer or its activities or properties.

(i) None of the Issuer, the Board, or District is in default in the payment of the principal of or interest on any of its indebtedness for borrowed money, and none of the Issuer, the Board, or District is in default in any material respect under any document or instrument under and subject to which any indebtedness for borrowed money has been incurred which default would affect materially and adversely the transactions contemplated by this Bond Purchase Agreement or the Issuer Documents. No event has occurred or is continuing under the provisions of any such document or instrument that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, which event of default would affect adversely the transactions contemplated by this Bond Purchase Agreement or the Issuer Documents.

(j) None of the Issuer, Board, or District is in material breach of or in default under the Bond Resolution, the Declaratory Resolution, or the Confirmatory Resolution, any applicable law or administrative regulation of the State of Indiana or the United States, or any applicable judgment or decree, or any loan agreement, note, resolution or other agreement or instrument to which the Issuer, Board, or District is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the

Bonds and the transactions contemplated hereby, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

(k) On and as of the Closing, all authorizations, consents, and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency, or other instrumentality or court required to be obtained, given, or taken on behalf of the Issuer, Board, and District in connection with the execution, delivery and performance by the Issuer of this Bond Purchase Agreement, the Bonds, and any other agreement or instrument to which the Issuer is a party and which has been or will be executed in connection with the consummation of the transactions contemplated by the foregoing documents, will have been obtained, given, or taken and will be in full force and effect.

(l) Any certificate signed by an authorized officer of the Issuer delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements made therein.

(m) The Issuer has and will cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer will not be required to execute a general or special consent to service of process or qualify to do business in connection with any qualification or determination in any jurisdiction.

(n) All of the audited financial statements of the Issuer, Board, and District present fairly the Issuer, Board, and District's financial condition as of the respective dates and the results of its operations for the respective periods set forth therein and have been prepared in accordance with applicable law. There has been no material adverse change in the financial affairs of the Issuer, Board, or District, except as disclosed specifically in the Official Statement.

(o) If between the date of this Bond Purchase Agreement and the date 25 days after the "end of the underwriting period" for the Bonds, as defined in the Rule, any event occurs which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall promptly provide written notice to the Underwriter thereof, and if, in the opinion of the Issuer or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. For purposes of this Bond Purchase Agreement, the "end of the underwriting period" shall be deemed to be the Closing Date (as hereinafter defined), unless the Underwriter shall have notified the Issuer to the contrary on or before the Closing Date.

(p) If the Official Statement is supplemented or amended pursuant to subsection (o) of this Section, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, the Issuer shall take all steps necessary

to ensure that the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(q) The information in the Preliminary Official Statement, including its attachments and appendices, at the time of acceptance hereof is correct in all material respects, and such Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and the information in the Official Statement as of its date and as of the Closing Date, will be true and correct and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

[(r) On the Closing Date, a reserve will be established for the Bonds and will be funded in accordance with the Bond Resolution.]

The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation by the Issuer to the Underwriter that the representations, warranties and covenants contained in this Section 5 are true as of the date hereof; provided that no officer of the Issuer shall be individually liable for the breach of any representation, warranty or covenant made by the Issuer in this Section 5.

6. Closing. At 10:00 a.m., Eastern Time, _____, 2021 or at such other time or date as the Issuer and the Underwriter shall mutually agree upon (the "Closing Date"), the Issuer shall (a) deliver or cause to be delivered, through the custody of The Depository Trust Company, New York, New York ("DTC"), or at such place as the Underwriter and the Issuer shall mutually agree upon, for the account of the Underwriter, the Bonds duly executed by the Issuer in fully registered form, bearing proper CUSIP numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds; and (b) deliver or cause to be delivered, to the Underwriter at Indianapolis, Indiana, or at such other place as the Issuer and the Underwriter may mutually agree upon, the documents described in this Bond Purchase Agreement. Concurrently with the delivery of the Bonds and the documents mentioned in this Bond Purchase Agreement hereof at the Closing, subject to the conditions contained herein, the Underwriter will accept such delivery and will pay the purchase prices of the Bonds to the order or account of the Issuer in the amount set forth in Section 1 hereof by wire transfer in immediately available funds. The Closing shall take place at the offices of the Issuer. The Bonds shall be available for inspection by the Underwriter at least two (2) business days prior to Closing.

7. Closing Conditions/Right to Cancel. The Underwriter enters into this Agreement in reliance upon the Issuer's representations and agreements herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Agreement are and shall be subject to the following additional conditions:

(a) At the time of the Closing, the Bond Resolution, the Declaratory Resolution, and the Confirmatory Resolution shall be in full force and effect and neither the Bond Resolution, the Declaratory Resolution, the Confirmatory Resolution, or the Official Statement shall have been amended, modified or supplemented, except as may have been approved in writing by the Underwriter, and the Issuer shall have duly adopted, and there shall be in full force and effect, such other resolutions as, in the opinion of Bose McKinney & Evans LLP (“Bond Counsel”), shall be necessary in connection with the transaction contemplated hereby.

(b) The Bonds, as set forth in Section 6, shall be deposited with DTC.

(c) The Underwriter shall have the right to cancel its obligation to purchase the Bonds at the time of Closing if any of the documents, certificates or opinions to be delivered to the Underwriter hereunder is not delivered at the time of Closing or if, between the date hereof and the time of Closing, one or more of the following occurs:

(i) Legislation (whether or not yet introduced in Congress of the United States (“Congress”)) shall be enacted or be actively considered for enactment by the Congress or recommended to the Congress by the President of the United States or favorably reported for passage to either House of Congress by any committee of such House, or a conference committee of both Houses, to which such legislation had been referred for consideration, or a decision by a federal court of the United States or the United States Tax Court shall be rendered, or an order, ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other governmental agency shall be made or proposed, or a release or official statement made by the President of the United States or by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which in the Underwriter's judgment, materially adversely affects the market for the Bonds; or

(ii) Legislation shall hereafter be enacted or actively considered for enactment or introduction, with an effective date on or prior to the Closing, or a decision by a court of the United States shall be rendered or a stop order, ruling, regulation or proposed regulation by or on behalf of the Securities and Exchange Commission or other agency having jurisdiction shall be made, to the effect that the issuance, sale and delivery of the Bonds, or any other obligations of any similar public body of the general character of the Issuer is in violation of the Securities Act of 1933, as amended, of the Securities Exchange Act of 1934, as amended, or of the Trust Indenture Act of 1939, as amended or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby, or of obligations of the general character of the Bonds; or

(iii) There shall have occurred any outbreak or escalation of hostilities or other national or international calamity or crisis, or escalation thereof, the effect of

such outbreak, calamity or crisis, or escalation thereof, on the financial markets of the United States being such as, in the Underwriter's judgment, would make it impracticable for the Underwriter to deliver the Bonds; or

(iv) There shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(v) A general banking moratorium shall have been declared by federal, Indiana or New York authorities having jurisdiction, and be in force, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(vi) an event shall occur which makes untrue or incorrect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading and requires an amendment of or supplement to the Official Statement and the effect of which, in the judgment of the Underwriter, would materially adversely affect or impair the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriter of the Bonds; or

(vii) any rating agency shall have taken any action to lower, suspend or withdraw their respective ratings on the Bonds [or Bond Insurer] or any other obligations of the Issuer and such action, in the opinion of the Underwriter, would adversely affect or impair the market price or marketability of the Bonds.

(d) At the Closing, the Underwriter shall receive the following documents:

(i) A duly certified copy of the Bond Resolution;

(ii) The approving opinion of Bond Counsel in the form set forth in Appendix ____ of the Preliminary Official Statement together with a supplemental opinion in form and substance satisfactory to the Underwriter, each of which shall be dated the Closing Date, which supplemental opinion shall include, among other things, opinions to the effect that (i) the Bonds are not required to be registered under the Securities Act of 1933, and the Bond Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended; (ii) the certain statements in the Official Statement insofar as such statements purport to describe or summarize certain provisions of the Bond Resolution, the Declaratory Resolution, the Confirmatory Resolution, Bond Counsel's approving legal opinion, the Bonds, and the Continuing Disclosure Agreement, have been reviewed by Bond Counsel are a fair and accurate summary in all material respects; and

(iii) the information in the Preliminary Official Statement, except for financial, technical or statistical data contained therein and except for Appendices [] and [] (collectively, the "Excluded Sections"), did not, as of its date, and does not, as of the date hereof, and the information in the Official Statement, except for the Excluded Sections, did not, as of its date, and does not, as of the Closing, contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(iii) The opinion of McKinney & Malapit Law, as counsel to the Issuer, dated the Closing Date and addressed to the Underwriter in form and substance satisfactory to the Underwriter, which shall include, among other things, opinions to the effect that that the Bond Resolution, the Declaratory Resolution, the Confirmatory Resolution, and the Continuing Disclosure Agreement have been duly authorized and are enforceable against the Issuer, the Board, and the District in accordance with their terms, and that the information in the Preliminary Official Statement did not, as of its date, and does not, as of the date hereof, and the information in the Official Statement did not, as of its date, and does not, as of the Closing, contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(iv) An opinion of Frost Brown Todd LLC, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter in form and substance satisfactory to the Underwriter;

(v) A certificate of Baker Tilly Municipal Advisors, LLC as municipal advisor to the Issuer, in a form acceptable to the Underwriter dated the date of Closing;

(vi) A certificate, dated the date of Closing, of the duly authorized representative(s) or officer(s) of the Issuer and in form and substance satisfactory to the Underwriter, to the effect that (A) the representations and agreements of the Issuer herein are true and correct in all material respects as of the date of Closing; (B) the financial information relating to the Issuer provided to the Underwriter presents fairly the financial position of the Issuer as of the date indicated therein and the results of its operations for the period specified therein and the financial statements from which such information was derived have been prepared in accordance with applicable law with respect to the period involved; (C) there has not been any material adverse change in the financial condition of the Issuer taken as a whole or no increase in the Issuer's indebtedness for borrowed money, other than as previously disclosed to the Underwriter; (D) there are not pending or, to such officials' knowledge, threatened legal proceedings that will materially adversely affect the transactions contemplated hereby or by the Resolution, or the validity or enforceability of the Bonds, or the security therefor; and (E) the Issuer has complied with all agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing, other than those specified hereunder that have been waived by the Underwriter;

- (vii) A photocopy of the Official Statement as executed by the Issuer;
- (viii) A duly certified copy of the Declaratory Resolution adopted by the Issuer in connection with the Bonds (the “Declaratory Resolution”);
- (ix) A duly certified copy of the Confirmatory Resolution adopted by the Issuer in connection with the Bonds (the “Confirmatory Resolution”);
- (x) An original Continuing Disclosure Agreement;
- (xi) One counterpart original of a transcript of all proceedings relating to the authorization and issuance of the Bonds;
- (xii) Specimen Bonds;
- (xiii) A certificate, dated the date of Closing, of the duly authorized representative(s) or officer(s) of the Issuer to the effect that the information contained in the Official Statement as of the date of Closing is correct in all material respects;
- (xiv) A certificate, dated the date of the Closing, of the duly authorized representative(s) or officer(s) to the effect that the Bond Resolution has been duly adopted and remains in full force and effect;
- (xv) Federal tax form 8038-G prepared with respect to the [2021A] Bonds and ready for filing;
- (xvi) The Nonarbitrage and Federal Tax Matters Certificate of the Issuer in a form and content satisfactory to the Underwriter;
- (xvii) A Parity Report and a Verification Report prepared by Baker Tilly Municipal Advisors, LLC each in a form and content satisfactory to the Underwriter;
- (xviii) [Evidence that the rating of the Bonds is not less than “___” and the insured rating of the Bonds is not less than “___”];
- (xix) [A municipal bond insurance policy issued by _____ guaranteeing the payment when due of the principal of and interest on the Bonds];
- (xx) [A paying agency agreement by and between The Huntington National Bank and the Issuer dated the date of Closing];
- (xxi) [An escrow agreement by and between _____ and the Issuer dated the date of Closing relating to the Prior Bonds];
- (xxii) Evidence, satisfactory to Bond Counsel and the Underwriter, of timely notice of redemption of the Prior Bonds or the waiver thereof by the bondholders of the Prior Bonds; and
- (xxiii) Such additional legal opinions, certificates, proceedings,

instruments and other documents, as the Underwriter or legal counsel to the Underwriter may reasonably request to evidence compliance by the Issuer with legal requirements relating to the issuance of the Bonds, the truth and accuracy, as of the date of Closing, of all representations contained herein and the due performance or satisfaction by the Issuer at or prior to the date of Closing of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Bond Purchase Agreement and the Bond Resolution.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Issuer nor the Underwriter shall have any further obligations hereunder, except that Sections (8) and (9) and the representations and warranties of the Issuer contained herein (as of the date made) will continue in full force and effect.

8. Survival. All representations, warranties and agreements of the Issuer set forth in or made pursuant to this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

9. Payment of Expenses. The Issuer shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation, reproduction, printing, distribution, and mailing, of the Official Statement; (ii) the fees and disbursements of Bond Counsel, counsel for the Issuer, the municipal advisor, and counsel for the Underwriter; (iii) the fees and disbursements of any auditors and other experts retained by the Issuer; (iv) fees charged by the rating agency for the rating of the Bonds; (v) the cost of qualifying the Bonds under the laws of such jurisdictions as the Underwriter may designate, including filing fees and fees and disbursements of counsel for the Underwriter in connection with such qualification and the preparation of Blue Sky Memoranda; and (vi) all other expenses incident to the performance of its obligations under the offering. If the Bonds are not sold by the Issuer to the Underwriter, the Issuer shall pay all such expenses incident to the performance of the Issuer's obligations hereunder as provided in this Section. Notwithstanding the foregoing, the Underwriter shall be responsible for paying all fees to the MSRB in connection with the issuance of the Bonds and costs and fees of obtaining CUSIP number(s) assigned for the Bonds.

10. Indemnification. The Issuer agrees, to the extent permitted by law, to indemnify and hold harmless the Underwriter, the directors, officers, employees, counsel, and agents of Underwriter and each person who controls any Underwriter within the meaning of either the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act of 1934, as amended (the "Exchange Act") against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon or related to:

(i) any breach by the Issuer of any representations, warranties or covenants set forth the Issuer Documents; or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement, the Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. This indemnity agreement will be in addition to any liability which the Issuer may otherwise have.

11. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing or by telex or telecopy to the address shown below, and any notice under this Bond Purchase Agreement to the Underwriter may be given by delivering the same in writing to the Underwriter as follows:

City of Muncie, Indiana
300 North High Street
Muncie, IN 47305
Attention: Mayor

Robert W. Baird & Co. Incorporated
10 West Market Street, Suite 2450,
Indianapolis, Indiana 46204
Attention: Landon Boehm, Managing Director

With a copy to: Frost Brown Todd LLC
201 North Illinois Street, Suite 1900
Indianapolis, Indiana 46204
Attention: Beau Zoeller

12. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

13. Effectiveness. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the Issuer.

14. Arm-Length Transaction. The Issuer acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, acting solely as a principal and not as a municipal advisor, financial advisor or agent of the Issuer. The Underwriter has not assumed a financial advisory responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement, it being the Issuer's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Underwriter has provided to the Issuer prior

disclosures regarding their role as underwriters, their compensation, any potential or actual material conflicts of interest, and material financial characteristics and material financial risks associated with the transaction to the extent required by MSRB rules. The Underwriter hereby notifies the Issuer that the Underwriter is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), the Underwriter is not an agent of the Issuer, and the Underwriter does not have a fiduciary duty to the Issuer in connection with the matters contemplated by this Agreement. The Issuer has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

15. Miscellaneous. (a) If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

(b) This Bond Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

(c) This Bond Purchase Agreement is made solely for the benefit of is binding on Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by both of the parties hereto.

(d) Under this Bond Purchase Agreement, the Underwriter is acting as a principal and not as agent or fiduciary, and the Underwriter's engagement is as an independent contractor and not in any other capacity. The Issuer agrees that it is solely responsible for making its own judgments in connection with the offering of the Bonds regardless of whether the Underwriter has or is currently advising the Issuer on related or other matters.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

By: _____
Landon Boehm, Managing Director

*[Underwriter Signature Page for Bond Purchase Agreement related to the
City of Muncie, Indiana Sanitary District Revenue Bonds, Series 2021A, and City of Muncie,
Indiana [Taxable] Sanitary District Refunding Revenue Bonds, Series 2021B]*

Accepted and agreed to as
of the date first above written:

CITY OF MUNCIE, INDIANA

By: _____
Dan Ridenour, Mayor

Attest:

By: _____
Craig Wright, Controller

*[City Signature Page for Bond Purchase Agreement related to the
City of Muncie, Indiana Sanitary District Revenue Bonds, Series 2021A, and City of Muncie,
Indiana [Taxable] Sanitary District Refunding Revenue Bonds, Series 2021B]*

EXHIBIT A

Designation: City of Muncie, Indiana
Sanitary District Revenue Bonds, Series 2021A

Principal Amount: \$ _____

Denominations: \$5,000 and any integral multiple thereof

Dated: _____, 2021

Maturities, Interest Rates and
Prices: Maturing on _____ and _____ in the amounts
and at the interest rates as shown below, with interest
payable semiannually on _____ and _____ of
each year, commencing _____, 20__:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
	\$	%	

[* Term Bond – Mandatory Sinking Fund Redemption.]
[C – Priced to the _____, 20__ optional call date.]

Optional Redemption: [The Series 2021A Bonds maturing on or after _____, 20__ are redeemable at the option of the City on _____, 20__, and thereafter, upon thirty (30) days' notice, in whole or in part, in order of maturity as determined by the City and by lot within maturity, at face value, with no premium, plus in each case accrued interest to the date fixed for redemption.]

Designation: City of Muncie, Indiana
[Taxable] Sanitary District Refunding Revenue Bonds,
Series 2021B

Principal Amount: \$ _____

Denominations: \$5,000 and any integral multiple thereof

Dated: _____, 2021

Maturities, Interest Rates and
Prices: Maturing on _____ and _____ in the amounts
and at the interest rates as shown below, with interest
payable semiannually on _____ and _____ of
each year, commencing _____, 20__:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
	\$	%	

Optional Redemption: [The Series 2021B Bonds maturing on or after _____, 20__ are
redeemable at the option of the City on _____, 20__, and thereafter, upon thirty (30) days'
notice, in whole or in part, in order of maturity as determined by the City and by lot within
maturity, at face value, with no premium, plus in each case accrued interest to the date fixed for
redemption.]

EXHIBIT B

§ _____
CITY OF MUNCIE, INDIANA
SANITARY DISTRICT REVENUE BONDS, SERIES 2021A

[§ _____
CITY OF MUNCIE, INDIANA
SANITARY DISTRICT REFUNDING REVENUE BONDS, SERIES 2021B]

The undersigned, on behalf of Robert W. Baird & Co. Incorporated (“Baird”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Baird offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, Baird has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2021), or (ii) the date on which Baird has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Muncie, Indiana.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Baird’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information may be relied upon by the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bose McKinney & Evans LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[Signature Page Follows]

ROBERT W. BAIRD & CO. INCORPORATED,
as Underwriter

By: _____

Name: _____

Title: _____

Dated: _____, 2021

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

General Rule Maturities

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
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Hold-the-Offering-Price Maturities

**SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION**

4842-1634-4026v2

EXHIBIT C

Form of Escrow Agreement

ESCROW AGREEMENT

BETWEEN

THE

MUNCIE SANITARY DISTRICT

AND

THE HUNTINGTON NATIONAL BANK

As Escrow Trustee

**SANITARY DISTRICT REVENUE AND REFUNDING REVENUE BONDS,
SERIES 2021**

Dated _____, 2021

ESCROW AGREEMENT

This agreement (the "Escrow Agreement") made and entered into as of _____, 2021, by and between the Muncie Sanitary District (the "Sanitary District") and The Huntington National Bank (the "Escrow Trustee"), a national banking association organized under the laws of the United States of America, having its principal corporate trust office in Indianapolis, Indiana, as Escrow Trustee under this Escrow Agreement with the Sanitary District.

WITNESSETH

WHEREAS, Indiana Code, Title 5, Article 1, Chapter 5 (the "Act"), has been enacted by the legislature of the State of Indiana; and

WHEREAS, the Act declares that the refunding of bonds to effect a savings for the Sanitary District or to relieve the Sanitary District of restrictive covenants which impede additional financings and the issuance of refunding bonds to accomplish the refunding constitute a public purpose; and

WHEREAS, the Act provides that the proceeds of the refunding bonds may be secured by a trust agreement between the Sanitary District and a corporate trustee; and

WHEREAS, the execution and delivery of this Escrow Agreement has been in all respects duly and validly authorized by Resolution No. 2021-____ duly passed and adopted by the Board of Sanitary Commissioners of the Sanitary District (the "Board") on February 10, 2021, (the "Resolution"); and

WHEREAS, the Sanitary District has heretofore issued, its (i) Sanitary District Revenue and Refunding Revenue Bonds, Series 2013 (the "2013 Bonds"), dated May 15, 2013, now outstanding in the aggregate principal amount of \$20,645,000, (ii) Sanitary District Revenue Bonds, Series 2013B (the "2013B Bonds"), dated December 12, 2013, now outstanding in the aggregate principal amount of \$3,034,000, and (iii) Sanitary District Revenue Bonds, Series 2014 (the "2014 Bonds" together with the 2013 Bonds and 2013B Bonds, the "Refunded Bonds"), dated June 26, 2014, now outstanding in the aggregate principal amount of \$13,240,000; and

WHEREAS, the Sanitary District has concurrently with the execution and delivery of this Escrow Agreement, executed, issued and delivered pursuant to the Resolution, its Sanitary District Revenue and Refunding Revenue Bonds, Series 2021 (the "Bonds") in the principal amount of \$_____, and the Sanitary District has deposited with the Escrow Trustee (a) certain hereinafter described securities or evidences thereof in the amount of \$_____ (the "Government Obligations") purchased from proceeds of the Bonds in the amount of \$_____ and funds on hand of the Sanitary District in the amount of \$_____ and (b) cash in the amount of \$_____ funded from proceeds of the Bonds (the "Cash Requirement"), in a total amount sufficient to pay the Refunded Bonds from the date of delivery of the Bonds to

_____, 2021, the earliest redemption date of the Refunded Bonds, with accrued interest to such date;

NOW THEREFORE, THIS AGREEMENT WITNESSETH: That in order to secure the payment of the principal of and interest on the Refunded Bonds according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants and conditions herein and in the Refunded Bonds and Bonds, and for and in consideration of the mutual covenants herein contained, and of the acceptance by the Escrow Trustee of the trust hereby created, the Sanitary District has executed and delivered this Escrow Agreement.

TO HAVE AND TO HOLD the same unto the Escrow Trustee, and its successor or successors and its or their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, to secure the payment of the Refunded Bonds and the interest payable thereon, and to secure also the observance and performance of all the terms, provisions, covenants and conditions of this Escrow Agreement, and for the equal and ratable benefit and security of all and singular the owners of all Refunded Bonds without preference, priority or distinction as to lien or otherwise of any one Refunded Bond or as between principal and interest; and it is hereby mutually covenanted and agreed that the terms and conditions upon which the Refunded Bonds are to be paid, and a portion of the proceeds of the Bonds invested, and the trusts and conditions upon which the pledged Government Obligations and Cash Requirement are to be held and disbursed, are as follows:

1. The Escrow Trustee acknowledges receipt from the Sanitary District of the Government Obligations, as set forth in Exhibit A attached hereto, together with the Cash Requirement, to be applied on the principal of and interest on the Refunded Bonds in accordance with the schedule set forth in Exhibit B attached hereto. The Government Obligations have been deposited with the Escrow Trustee and will bear interest at such rates and will mature at such times and in such amounts so that, when paid according to their respective terms, together with the Cash Requirement, sufficient moneys will be available for the payment of principal of and interest on the Refunded Bonds until _____, 2021, the earliest date upon which the Refunded Bonds may be called for redemption, and the cost of redeeming the Refunded Bonds at a redemption price of 100% of principal amount.

2. (a) A Trust Account is created hereby for the Refunded Bonds (the "Trust Account"). For purposes of securing payment for the Refunded Bonds, the Government Obligations and the Cash Requirement set forth on Exhibit A will be held in trust by the Escrow Trustee in the Trust Account and such Government Obligations on deposit with the Escrow Trustee, including interest to be earned thereon, together with the Cash Requirement, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds. Pursuant to this Section, the Sanitary District irrevocably instructs the Escrow Trustee to duly call the Refunded Bonds on or before _____, 2021 for redemption on _____, 2021, and the Escrow Trustee hereby agrees to follow this instruction.

(b) The Escrow Trustee and the Sanitary District agree to redeem on _____, 2021, all outstanding Refunded Bonds due on _____, 2021 and thereafter. The Escrow Trustee shall complete the notice attached as Exhibit C and mail the notice to all registered owners of the Refunded Bonds at least sixty (60) days prior to _____, 2021, substantially in the form attached to this Escrow Agreement as Exhibit C. The Escrow Trustee serves as the paying agent for the Refunded Bonds and shall effectuate timely payments under this Escrow Agreement.

(c) Any balance remaining in the Trust Account after payment of all the Refunded Bonds shall be deposited with the Sanitary District and used by the Sanitary District to pay debt service on the Bonds.

(d) The mathematical calculations of the adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement will be computed at the time of delivery of the Bonds by Baker Tilly Municipal Advisors, LLP (the "Verification Report").

3. The Sanitary District covenants that the proceeds from the sale of Bonds, any moneys attributable to the proceeds of the Bonds or the Refunded Bonds, amounts received from the investment of the proceeds of the Bonds, any other amounts treated as proceeds of the Bonds under the applicable provisions of the Internal Revenue Code of 1986 as existing on the date of the issuance of the Bonds (the "Code"), to the extent applicable to the Bonds or held in funds or accounts under the 2000 Resolution or the Resolution, shall not be invested or otherwise used in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the regulations and rulings promulgated thereunder.

4. The Escrow Trustee hereby accepts the trusts imposed upon it by this Escrow Agreement and agrees to perform these trusts as a corporate trustee ordinarily would perform such trusts under a corporate indenture. The Escrow Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all compensation to all such attorneys, certified public accountants, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Escrow Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Sanitary District). The Escrow Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

The Escrow Trustee shall be entitled to payment and/or reimbursement in accordance with the schedule attached hereto as Exhibit D in connection with services under this Escrow Agreement including costs incurred under the preceding paragraph. Such fees shall not constitute a lien against the Trust Account. If, after the Refunded Bonds are paid, there are insufficient funds to pay such fees, the Sanitary District is responsible for the payment of such Escrow Trustee fees and paying agent fees.

5. The Escrow Trustee shall have the power to sell, transfer, request the redemption or otherwise dispose of some or all of the Government Obligations in the Trust Account and to substitute other Government Obligations of equal or greater security identified in the Verification Report therefor provided that the Escrow Trustee shall receive (i) the unqualified opinion of nationally recognized municipal bond attorneys prior to any such actions to the effect that such disposition and substitution would not cause any of the Refunded Bonds or the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, or any other regulations and rulings to the extent applicable to the Refunded Bonds of the Bonds; and (ii) the unqualified opinion of a certified public accountant or a firm of certified public accountants to the effect that such disposition and substitution shall not reduce the sufficiency and adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement.

6. This Escrow Agreement is made for the benefit of the Sanitary District and the holders from time to time of the Refunded Bonds, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Trustee and the Sanitary District, provided, however, that the Sanitary District and the Escrow Trustee may, without the consent of, or notice to, such holders, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement, in their sole judgment and discretion, as shall not materially adversely affect the rights of such holders, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Trustee for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers, security or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Trustee; and (iii) to include under this Escrow Agreement additional funds, securities or properties.

7. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the City or the Escrow Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

8. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

9. This Escrow Agreement shall be construed and enforced under the laws of the State of Indiana, without regard to conflict of law principles.

10. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Escrow Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Trustee are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if

done on the nominal date provided in this Escrow Agreement, and no interest shall accrue for the period after such nominal date.

11. This Escrow Agreement shall not be assigned by the Escrow Trustee or any successor thereto without the prior written consent of the Sanitary District.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed for and on their behalf the day and year first hereinabove written.

MUNCIE SANITARY DISTRICT

Dan Ridenour, Mayor

Craig Wright, Controller

THE HUNTINGTON NATIONAL BANK

By: _____

Printed: _____

Title: _____

Attest:

By: _____

EXHIBIT A

Attached to and made a part of the
Escrow Agreement executed by the
Muncie Sanitary District and
The Huntington National Bank,
as Escrow Trustee
Dated _____, 2021

SCHEDULE OF GOVERNMENT OBLIGATIONS

<u>Type</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Coupon Rate</u>
SLGS		\$ _____	_____%

Cash in the amount of \$ _____

EXHIBIT B

PAYMENT OF PRINCIPAL AND INTEREST
ON REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
	\$	\$ _____	\$	\$ _____

EXHIBIT C

NOTICE OF REDEMPTION TO THE HOLDERS OF THE
[SANITARY DISTRICT REVENUE AND REFUNDING REVENUE BONDS,
SERIES 2013]
[SANITARY DISTRICT REVENUE BONDS, SERIES 2013B]
[SANITARY DISTRICT REVENUE BONDS, SERIES 2014]

NOTICE IS HEREBY GIVEN to the registered owners of the _____ (\$_____) in aggregate principal amount of [Sanitary District Revenue and Refunding Revenue Bonds, Series 2013][Sanitary District Revenue Bonds, Series 2013B][Sanitary District Revenue Bonds, Series 2014], of the Muncie Sanitary District (the "Sanitary District"), dated May 15, 2013][December 12, 2013][June 26, 2014], and maturing semiannually on July 1, 2021 through January 1, 2033, inclusive (the "Refunded Bonds"), that the Refunded Bonds will be redeemed on _____, 2021, at the price of one hundred percent (100%) of the par amount thereof (the "Redemption Price"), plus accrued and unpaid interest to _____, 2021.

Payment of the Redemption Price of and accrued interest on the Refunded Bonds will be made upon presentation and surrender of the Refunded Bonds at the corporate trust operations office of The Huntington National Bank (the "Escrow Agent").

The Refunded Bonds will cease to bear interest on _____, 2021, whether or not presented for payment on that date.

IMPORTANT: Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") unless the Escrow Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Refunded Bonds for payment.

Dated this ____ day of _____, 2021.

THE HUNTINGTON NATIONAL BANK

Mail to registered owners at least sixty (60) days prior to _____, 2021.

EXHIBIT D

ESCROW TRUSTEE FEES

EXHIBIT D

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Disclosure Agreement”) is executed and delivered by SANITARY DISTRICT OF THE CITY OF MUNCIE, INDIANA (the “Obligor”), in connection with the issuance by the Obligor of its Sanitary District [Revenue and] Refunding Revenue Bonds, Series 2021, in the aggregate principal amount of \$ _____ (the “Bonds”). The Bonds are being issued pursuant to (i) Indiana Code 36-9-25 and 5-1-5, each as amended, and (ii) Bond Resolution No. _____ adopted by the Board of Sanitary Commissioners of the Obligor on February 10, 2021 (the “Resolution”) ((i) and (ii) collectively, the “Bond Proceedings”). The Obligor covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement.

(a) This Disclosure Agreement is being executed and delivered by the Obligor for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter in complying with the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Agreement shall be deemed to be and shall constitute a contract between the Obligor and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Obligor shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

(c) The Obligor hereby determines that it will be an obligated person with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt pursuant to subsection (d)(1) of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Bond Proceedings, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Obligor, or any successor Dissemination Agent appointed in writing by the Obligor and which has filed with the Obligor a written acceptance of such appointment.

“EMMA” means the Electronic Municipal Market Access system at www.emma.msrb.org, created and operated by the MSRB.

“Financial Obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of either clause (i) or (ii); provided, however, “Financial Obligation” shall not include any municipal securities (as defined in the 1934 Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2021.

“Participating Underwriter” shall mean Robert W. Baird & Co. Incorporated.

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“State” shall mean the State of Indiana.

“SBOA” shall mean the Indiana State Board of Accounts.

Section 3. Provision of Financial Information.

(a) The Obligor hereby undertakes to provide to the MSRB through EMMA, the following financial information:

- (1) The report of an independent auditor, which may consist of either the Independent Accountant’s Report or the Independent Auditor’s Report, and the financial statements of the Obligor, as audited and examined by the SBOA, or an independent auditor and accepted by the SBOA, on an annual basis for each fiscal year, together with the opinion of the independent auditor and all notes thereto (collectively, the “Audited Information”), by the June 30 immediately following each annual period. Such disclosure of the Audited Information shall first occur

by June 30, 2022, and shall be made by June 30 of every year thereafter, if the Audited Information is delivered to the Obligor by June 30 of each annual period, or within 60 days of receipt thereof if not received by June 30; and

- (2) No later than June 30 of each year beginning June 30, 2022, the most recent annual financial information for the Obligor including (i) unaudited financial statements of the Obligor and (ii) operating data (excluding any demographic information or forecast) of the general type included under the following headings in Appendix A to the Official Statement (together, with the unaudited financial information, the “Annual Information”), provided, however, that the updated Annual Information may be provided in such format as the Obligor deems appropriate:

- LARGE USERS

[INSERT OTHER HEADINGS IF NECESSARY]

(b) To the extent any Audited Information or Annual Information relating to the Obligor referred to in paragraph (a) of this Section 3 is included in a final official statement (as that term is defined in the Rule) dated within one hundred twenty (120) days prior to the due date for such information for any fiscal year and filed with the MSRB, the Obligor shall have been deemed to have provided that information as of the due date for the immediately preceding fiscal year as required by paragraphs (a)(1) and (2) of this Section 3.

(c) If any Audited Information or Annual Information relating to the Obligor referred to in paragraph (a) of this Section 3 no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Audited Information or Annual Information required to be provided under this Disclosure Agreement, shall satisfy the undertaking to provide such Audited Information or Annual Information. To the extent available, the Obligor shall cause to be filed along with the other Audited Information or Annual Information operating data similar to that which can no longer be provided.

(d) The disclosure of the Audited Information and Annual Information may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit A attached hereto.

(e) Audited Information and Annual Information required to be provided pursuant to this Section 3 may be provided by a specific reference to such Audited Information or Annual Information already prepared and previously provided to the MSRB, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

(f) If, for any reason, the Obligor fails to provide the Audited Information or Annual Information as required by this Disclosure Agreement, the Obligor shall provide notice of such failure in a timely manner to the MSRB in the form of Exhibit B attached hereto.

(g) The Obligor and any Dissemination Agent (as described in Section 7) appointed

by the Obligor, must file all filings under this Disclosure Agreement with the MSRB through EMMA in an electronic format in the form of a word searchable portable document format (PDF).

Section 4. Accounting Principles. The Annual Information will be prepared on a cash basis as prescribed by the SBOA, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by State law from time to time. The Audited Information of the Obligor, as described in Section 3(a)(1) hereof, will be prepared in accordance with generally accepted accounting standards and Government Auditing Standards issued by the Comptroller General of the United States.

Section 5. Reporting of Listed Events.

(a) The Obligor shall disclose the following events to the MSRB through EMMA, within ten (10) business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws):

- (1) non-payment related defaults;
- (2) modifications to rights of Bondholders;
- (3) Bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing;
- (6) appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the obligated person or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Bondholders.

The disclosure shall be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

(b) The Obligor shall disclose the following events to the MSRB through EMMA, within ten (10) business days of the occurrence of any of the following events, regardless of materiality:

- (1) principal and interest payment delinquencies;

- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;
- (8) tender offers;
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (10) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The disclosure shall be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

(c) If the Obligor determines that the occurrence of a Listed Event must be filed as set forth above, the Obligor shall promptly cause a notice of such occurrence to be filed with the MSRB through EMMA. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (b)(5), the Obligor shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The Obligor acknowledges that the “rating changes” referred to above in subsection (b)(6) may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Obligor is liable.

(f) The Obligor acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Obligor does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

Section 6. Termination of Reporting Obligation.

(a) The Obligor's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, the prior redemption or the payment in full of all of the Bonds. If the Obligor's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

(b) This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Obligor (i) receives an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB through EMMA.

Section 7. Dissemination Agent. The Obligor, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Agreement, the Dissemination Agent (if other than Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Disclosure Agreement.

Section 8. Amendment; Waiver.

(a) Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Obligor, or type of business conducted by the Obligor or in connection with the refunding referred to in the Official Statement;

(2) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Obligor shall describe such amendment or waiver in the next Annual Information and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the financial information required to be included in the Audited Information or Annual Information pursuant to Section 3 of this Disclosure Agreement, the first Audited Information or Annual Information that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the financial information required to be provided in the Audited Information or Annual Information can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Audited Information or Annual Information that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 3 of this Disclosure Agreement, the Audited Information or Annual Information for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Obligor, or the Dissemination Agent (if other than the Obligor) at the written direction of the Obligor, to the MSRB through EMMA.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Audited Information, Annual Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligor chooses to include any information in any Audited Information, Annual Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Obligor shall have no obligation under this Disclosure Agreement to update such information or include it in any future Audited Information, Annual Information or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the Obligor or the Dissemination Agent (if other than the Obligor) to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Obligor or the Dissemination Agent (if other than the Obligor) under this Disclosure Agreement, but no person or entity shall be entitled to recover

monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Agreement shall not constitute a default with respect to the Bonds or under the Resolution. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this Disclosure Agreement is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Obligor shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Agreement.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligor, the Dissemination Agent, the Participating Underwriter, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Agreement, and, in the sole determination of the Obligor or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Obligor or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The Obligor acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Obligor, and that under some circumstances, compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Prior Undertakings. Except as disclosed in the Official Statement, during the past five (5) years the Obligor has not failed to comply, in all material respects, with any previous undertakings.

Section 16. Governing Law. This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 17. Severability. If any portion of this Disclosure Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability or enforceability of the remaining portions of this Disclosure Agreement shall not be affected, and this Disclosure Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Signature Page to Continuing Disclosure Undertaking Agreement

**SANITARY DISTRICT OF THE
CITY OF MUNCIE, INDIANA**

By: _____
Dan Ridenour, Mayor

ATTEST:

Craig Wright, Controller

Dated: _____, 2021

EXHIBIT A

CERTIFICATE RE: [ANNUAL][AUDITED] INFORMATION DISCLOSURE

Name of Obligor: Sanitary District of the City of Muncie, Indiana
Name of Bond Issue: Sanitary District [Revenue and] Refunding Revenue Bonds, Series 2021
Date of Bonds: _____, 2021

The undersigned, on behalf of the above referenced Obligor, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2021 (the "Disclosure Agreement"), hereby certifies that the information enclosed herewith constitutes the [Annual][Audited] Information (as defined in the Disclosure Agreement) which is required to be provided pursuant to Section 3(a) of the Disclosure Agreement.

SANITARY DISTRICT OF THE
CITY OF MUNCIE, INDIANA

By _____

Its _____

Dated: _____

EXHIBIT B

NOTICE OF FAILURE TO FILE INFORMATION

Name of Obligor: Sanitary District of City of Muncie, Indiana
Name of Bond Issue: Sanitary District [Revenue and] Refunding Revenue Bonds, Series 2021
Date of Bonds: _____, 2021

NOTICE IS HEREBY GIVEN that the Obligor has not provided the [Annual][Audited] Information as required by Section 3(a) of the Continuing Disclosure Undertaking Agreement of the Obligor, dated _____, 2021.

SANITARY DISTRICT OF THE
CITY OF MUNCIE, INDIANA

By _____

Its _____

Dated: _____

EXHIBIT C

CERTIFICATE RE: EVENT DISCLOSURE

The undersigned, on behalf of the Sanitary District of the City of Muncie, Indiana, as Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2021 (the "Disclosure Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of an event which is required to be provided pursuant to Section 5 of the Disclosure Agreement.

Dated: _____

SANITARY DISTRICT OF THE
CITY OF MUNCIE, INDIANA

By: _____

Name: _____

Title: _____