

BOARD OF SANITARY COMMISSIONERS
MUNCIE SANITARY DISTRICT

BOND RESOLUTION NO. 2025-07

A resolution concerning the construction of additions and improvements to the sewage works of the Muncie Sanitary District; the issuance of bonds in one or more series to provide for the cost thereof; providing for the collection, segregation and distribution of the revenues of said works; the safeguarding of the interests of the owners of said 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 ("Board") of the Muncie Sanitary District ("District") of the City of Muncie, Indiana ("City") finds that certain improvements and additions to its sewage works are necessary; that certain reports containing general plans, specifications, descriptions and estimates have been or will be prepared and filed by the engineers employed by the District for the construction of said improvements and additions (as more fully set forth in Exhibit A attached hereto and made a part hereof) (collectively, "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 April 30, 2025, the Board, being the governing body of the District, adopted a declaratory resolution ("Sanitary 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; and

WHEREAS, on May 28, 2025, after notice and a public hearing thereon, the Board confirmed the Sanitary Declaratory Resolution by the adoption of a confirmatory resolution; and

WHEREAS, the District has obtained engineer's estimates of the costs of the construction of the Project and will advertise for and receive bids for the construction of the Project; said bids will be subject to the District's determination to construct the Project and subject to the District obtaining funds to pay for the Project; that on the basis of the engineer's estimates and bids, the cost of the Project, as defined in IC 36-9-1-8, including estimated incidental expenses, is in the estimated amount of Two Hundred Eighty Million Dollars (\$280,000,000); and

WHEREAS, the Board finds that the District may have funds on hand to apply to the cost of the Project, but that it is necessary to authorize the financing of total costs of the Project by the issuance of bonds, in one or more series, in an aggregate amount not to exceed \$280,000,000 and, if necessary, bond anticipation notes ("BANs") in an aggregate amount not to exceed \$60,000,000; and

WHEREAS, the Board finds that there are now outstanding bonds originally issued to finance the construction of improvements and additions to the District's sewage works and payable out of the revenues therefrom designated: (i) "Sanitary District Revenue Bonds, Series 2016A," dated July 27, 2016 ("2016 Bonds"), originally issued in the amount of \$64,000,000, now outstanding in the amount of \$54,190,000 and maturing semiannually over a period ending January 1, 2037; (ii) "Sanitary District Refunding Revenue Bonds, Series 2017," dated July 27, 2017 ("2017 Bonds"), originally issued in the amount of \$13,225,000, now outstanding in the amount of \$3,010,000 and maturing semiannually over a period ending January 1, 2027; (iii) "Sanitary District Revenue and Refunding Revenue Bonds, Series 2021A," dated April 1, 2021 ("2021A Bonds"), originally issued in the amount of \$43,475,000, now outstanding in the amount of \$36,435,000 and maturing semiannually over a period ending July 1, 2038 and (iv) "

Sanitary District Revenue and Refunding Revenue Bonds, Series 2021B," dated April 1, 2021 ("2021B Bonds"), originally issued in the amount of \$40,915,000, now outstanding in the amount of \$40,410,000 and maturing semiannually over a period ending January 1, 2042, which 2016 Bonds, 2017 Bonds, 2021A Bonds and 2021B Bonds constitute a first charge upon the Net Revenues (as hereinafter defined) of the Sewage Works;

WHEREAS, the 2016 Bonds, 2017 Bonds, 2021A Bonds and 2021B Bonds are hereinafter collectively referred to as the "Outstanding Bonds;" and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Bonds permit the issuance of additional bonds ranking on a parity with the Outstanding Bonds if certain conditions can be met, and the District finds that the finances of the sewage works will enable the District to meet the conditions for the issuance of additional parity bonds, and that, accordingly, the revenue bonds authorized by this resolution shall rank on a parity with the Outstanding Bonds; and

WHEREAS, 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 Bonds and are to be issued subject to the provisions of IC 36-9-25 and IC 8-1.5-5, as in effect on the date of issuance of the bonds authorized hereunder (collectively, "Act"), and the terms and restrictions of this resolution; and

WHEREAS, other than the Outstanding Bonds, neither the City nor the District have outstanding bonds, pledges, or obligations payable from the Net Revenues of the sewage works; and

WHEREAS, the Outstanding Bonds are also secured by an annual pledge of storm water revenues (hereinafter, "Stormwater Pledge"), as further defined in the Sewer and Storm Water Service Transition Plan adopted by the Board and the Common Council of the City in 2018; and

WHEREAS, the bonds and BANs will be issued solely by the Board and will not be secured by the Stormwater Pledge or any stormwater revenues; and

WHEREAS, the District may enter into a Financial Assistance Agreement, Funding Agreement, Grant Agreement and/or Financial Aid Agreement, together with any subsequent amendments thereto (collectively, "Financial Assistance Agreement"), a form of which is attached hereto as Exhibit B, with the Indiana Finance Authority ("Authority") as part of its wastewater loan program, supplemental drinking water and wastewater assistance program, water infrastructure assistance program and/or water infrastructure grant program (collectively, "IFA Program") established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, and IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, pertaining to the Project and the financing of the Project if the bonds or BANs are sold to the Authority through its IFA Program; and

WHEREAS, the Board understands that for the Project to be permitted to be financed under the IFA Program, the District must: (a) agree to own, operate and maintain (or cause the City to do so) the sewage works and the Project for the duration of its useful life; and (b) represent and warrant to the Authority that neither the District nor the City has any intent to sell, transfer or lease the sewage works or the Project for the duration of its useful life; and

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

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

WHEREAS, the Board now finds that all conditions precedent to the adoption of a resolution authorizing the issuance of said bonds and BANs have been complied with in accordance with the provisions of the Act;

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

Section 1. Authorization of Project. The District will proceed with the construction of the Project as set out in the Declaratory Resolution as confirmed by a confirmatory resolution and in accordance with the general plans, specifications, descriptions and estimates heretofore prepared or to be prepared and filed by consulting engineers employed by the 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, 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. Two copies of any additional final plans and specifications and the cost estimates will be placed on file in the office of the Board and be open for public inspection pursuant to IC 36-1-5-4. The estimated cost of construction of the Project is expected to not exceed \$280,000,000, plus investment earnings on the BAN and bond proceeds. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this resolution shall be construed to mean the Treatment Works, as defined in the Financial Assistance Agreement entered into between the District and the Authority and includes the existing sewage works system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the general plans, specifications, descriptions and estimates heretofore mentioned, which Project are

hereby approved. The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

In the event the Bonds or BANs are purchased by the Authority as part of the IFA Program, on behalf of the District and the City, the Board hereby (i) agrees to own, operate and maintain (or cause the City to do so) the sewage works and the Project for the duration of its useful life and (ii) represents and warrants to the Authority that neither District or the City has any intent to sell, transfer or lease the sewage works or the Project for the duration of its useful life.

Section 2. Issuance of BANs and Bonds; Registrar and Paying Agent; Book-Entry Provisions. (a) The Board hereby authorizes the Controller of the City ("Controller") to prepare and issue, if necessary, the BANs for the purpose of procuring interim financing to apply on the cost of the Project. The BANs may be issued, in one or more series, in an aggregate amount not to exceed Sixty Million Dollars (\$60,000,000) to be designated "Sanitary District Bond Anticipation Notes of _____" (to be completed with the year in which issued and appropriate series designation, if any). Each series of BANs shall be sold at not less than par value if sold to the Authority as part of its IFA Program or not less than 99% of the par value thereof if sold to any other purchaser, shall be numbered consecutively from 1 upward, shall be in any multiple of One Thousand Dollar (\$1,000) or, if sold to the Authority as part of its IFA Program, One Dollar (\$1), as designated in the Note Purchase Agreement (as hereinafter defined), shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 6.0% per annum (the exact rate or rates to be determined through negotiation with the purchaser of the BANs), payable upon maturity. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 6.0% 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. Notwithstanding anything in this resolution to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term "Taxable" as the first word in the designated name.

The BANs shall be issued pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 if sold to the Authority, or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The 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 (unless the BANs are called for redemption prior to maturity as hereinafter provided). The bonds will be payable out of and constitute a first charge against the Net Revenues (herein defined as gross revenues after deduction only for 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 Outstanding Bonds and any Future Parity Bonds.

(b) The District shall issue its bonds, in one or more series, in the aggregate amount not to exceed \$280,000,000 to be designated "Sanitary District Bonds of _____" to be completed with the year in which issued and the appropriate series designation, if any ("Bonds") for the purpose of procuring funds to apply on the cost of the Project, refunding the BANs, if issued, and issuance costs. Each series of Bonds shall be issued and sold at a price not less than par value if sold to the Authority as part of its IFA Program, or not less than 99% of the par value

thereof if sold to any other purchaser. Each series of Bonds shall be issued in fully registered form in the denomination of One Dollar (\$1) or integral multiples thereof if sold to the Authority as part of its IFA Program, or in denominations of \$5,000 or integral multiples thereof if sold to any other purchaser, numbered consecutively from 1 up, originally dated as of the date of delivery, and shall bear interest at a rate or rates not exceeding 6.0% per annum (the exact rate or rates to be determined by bidding or through negotiation with the Authority through its IFA Program). Interest is payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or the first July 1 following the date of delivery of the Bonds, as determined by the Controller with the advice of the District's municipal advisor. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature semiannually on January 1 and July 1 or be subject to mandatory sinking fund redemption over a period ending no later than thirty-five (35) years after the date of issuance of the Bonds and in such amounts that will allow the District to meet the coverage and/or amortization requirements of the IFA Program. Such debt service schedule for any Bonds sold to the Authority as part of its IFA Program shall be finalized and set forth in the Financial Assistance Agreement. For any Bonds not sold to the Authority as part of its IFA Program, such Bonds may mature semiannually on January 1 and July 1 or be subject to mandatory sinking fund redemption over a period ending no later than thirty-five (35) years after the completion of the Project and the Bonds sold to any other purchaser in amounts that will either: (i) produce as level annual debt service as practicable taking into account the annual debt service on the Outstanding Bonds and on all series of Bonds issued hereunder, or (ii) if the Bonds are sold to the Authority as part of its IFA Program, allow the District to meet the coverage and/or amortization requirements of the IFA Program. If the Bonds are sold to the

Authority as part of its IFA Program, such debt service schedule shall be finalized and set forth in the Financial Assistance Agreement.

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

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

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

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

Notwithstanding anything contained herein, the District may accept any other forms of financial assistance, as and if available, from the IFA Program (including without any limitation forgivable loans, grants, or other assistance) whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto. If required by the IFA Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of

or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any Outstanding Bonds or Future Parity Bonds), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be provided in the Financial Assistance Agreement and the Bonds of each series of Bonds issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bonds otherwise contained herein).

(c) The Mayor of the City ("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 ("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 herein defined Sinking Fund established to pay the principal of and interest on the Bonds and fiscal agency charges.

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

If any Bonds or BANs are sold to the Authority as part of its IFA Program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when

financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority is the owner of the Bonds or BANs, such Bonds and BANs shall be presented for payment as directed by the Authority.

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

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

(e) Each reference to the City in this subsection shall mean in a capacity on behalf of the District. Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a

written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City. The City, the Board and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

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

Upon the appointment of any successor registrar and paying agent by the City, the Controller is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services

required of a registrar and paying agent for the Bonds. The Controller is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sinking Fund as set forth in Section 11 hereof. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

Interest on any Bonds sold to the Authority as part of its IFA Program shall be payable from the date or dates of payments made by the Authority as part of its purchase of the Bonds as set forth in the Financial Assistance Agreement. Interest on all other Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the Record Date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Bonds are authenticated on or before the Record Date preceding the first interest payment date, in which case they shall bear interest from the original date until the principal shall be fully paid.

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

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

No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Board to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this resolution. The Board, the City and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Board's, the City's and the Paying Agent's obligations with

respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Board of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this resolution shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Board to the Depository Trust Company.

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

If the Board determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the Board may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial

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

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

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

So long as the Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the Board, the City and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such

Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this resolution and the Board, the City and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

Section 3. Redemption of BANs and Bonds. (a) The BANs are prepayable by the District, in whole or in part, on any date beginning one year after the date of issuance of the BANs, upon 20 days' notice to the owner of the BANs, with no premium.

(b) For any Bonds not sold to the Authority as part of its IFA Program, the Bonds are redeemable at the option of the District, but no later than ten (10) years from their date of issuance, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the District and by lot within a maturity, at face value, together with a premium no greater than 2%, plus in each case accrued interest to the date fixed for redemption. The exact redemption features shall be determined by the Controller with the advice of the District's municipal advisor.

For any Bonds sold to the Authority as part of its IFA Program, such Bonds are redeemable at the option of the District, but no sooner than ten (10) years after their date of delivery, and thereafter on any date, on sixty (60) days' notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium no greater

than 2%, plus accrued interest to the date fixed for redemption; provided however if the Bonds are sold to the IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the District unless and until consented to by the Authority. The exact redemption dates and premiums shall be established by the Controller, with the advice of the District's municipal advisor, prior to the sale of the Bonds.

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

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

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

(d) In either case, notice of such redemption shall be given not less than sixty (60) days, for any Bonds sold to the Authority as part of its IFA Program, and at least thirty (30) days for any Bonds sold to another purchaser, prior to the date fixed for redemption by mail unless the notice is waived by the registered owner of a Bond. Such notice shall be mailed to the address of the registered owners as shown on the registration records of the District as of the date which is sixty-five (65) days for any Bonds sold to the Authority as part of its IFA Program, and forty-five (45) days for any Bonds sold to another purchaser, prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption shall be determined by the District. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the principal office of the Paying Agent to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the Bonds so called for redemption shall be surrendered for cancellation.

Section 4. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. Each of the BANs and Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the Controller, and attested by the manual or facsimile signature of the Clerk of the City ("Clerk"), who shall affix the seal of the City to each of the 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 officers have full authority to execute any and all documents necessary to issue the

Bonds and the use of electronic signatures by the officers are hereby authorized and affirmed with full valid legal effect and enforceability. The Bonds must be authenticated by an authorized officer of the Registrar.

The Bonds and any Future Parity Bonds, 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 District, on a parity with the Outstanding Bonds, including all such net revenues from the existing works, the Project and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside into the Sinking Fund as herein provided. The District shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of said sewage 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, but shall constitute an indebtedness of the District, as a special taxing district.

Section 5. 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. _____

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF DELAWARE

CITY OF MUNCIE

[TAXABLE] SANITARY DISTRICT BOND OF _____ [, SERIES _____]

[MATURITY <u>DATE</u>]	[INTEREST <u>RATE</u>]	ORIGINAL <u>DATE</u>	AUTHENTICATION <u>DATE</u>	[CUSIP]
----------------------------	----------------------------	-------------------------	-------------------------------	---------

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Muncie ("City"), in Delaware County, State of Indiana, for and on behalf of the Sanitary District of the City ("District") for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, from the source and in the manner herein provided, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, or its assigns,] on [the Maturity Date set forth above] **OR** [January 1 and July 1 on the dates and in the amounts as set forth on Exhibit A attached hereto] (unless this bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon at the [Interest Rate per annum stated above] [interest rate[s] per annum set forth on Exhibit A attached hereto] from the [dates of payment made on this Bond] **OR** [interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____ 15, 20__, in which case it shall bear interest from the Original Date] until the principal is paid, which interest is payable semiannually on the first day of January and July of each year, beginning on _____ 1, 20__. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of this bond is payable at the principal office of _____ ("Registrar" or "Paying Agent"), in the _____ of _____, _____]. All payments of [principal of and] [interest] on this bond shall be paid by [check mailed one business day prior to the interest payment date] **OR** [wire transfer for deposit to a financial institution as directed by the Purchaser on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the registered owner hereof, as of the fifteenth day of the month preceding such payment date, at the address as it appears on the registration books kept by [_____] ("Registrar" or "Paying Agent") in the _____ of _____, Indiana] **OR** [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [Notwithstanding anything to the contrary herein, this bond shall not be required to be presented or surrendered to receive payment in connection with any mandatory sinking fund redemption until the final maturity date of this bond or earlier payment in full of this bond.] [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, BUT SHALL CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, AS A SPECIAL TAXING DISTRICT. THE 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 BONDS.

This bond is [the only] one of an authorized issue of bonds of the District, acting in the name of the City, [to be] [issued in series] of like date, tenor and effect, [except as to rates of interest[, series designation,] and dates of maturity] in the total amount of _____ Dollars (\$ _____) ("Bonds"), numbered consecutively from 1 up, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the District's sewage works, [to refund interim notes issued in anticipation of the Bonds] and to pay incidental expenses, all as more particularly described in declaratory resolutions adopted on April 30, 2025, as confirmed by resolutions adopted on May 28, 2025, which Bonds are authorized by a resolution adopted by the Board of the District on the ____ day of _____, 2025, entitled "A resolution concerning the construction of additions and improvements to the sewage works of the Muncie Sanitary District; the issuance of bonds in one or more series to provide for the cost thereof; providing for the collection, segregation and distribution of the revenues of said works; the safeguarding of the interests of the owners of said bonds; other matters connected therewith, including the issuance of notes in anticipation of bonds; and repealing resolutions inconsistent herewith" ("Resolution"), and in strict compliance with the provisions of IC 36-9-25, as in effect on the issue date of the Bonds ("Act").

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

Pursuant to the provisions of the Act and the Resolution, the principal and interest of this Bond and all other Bonds of said issue, [including the Sanitary District Revenue Bonds of _____, Series ____ ("Series ____ Bonds")] and any Future Parity Bonds (as defined in the Resolution), are payable solely from the Sewage Works Sinking Fund (continued by the Resolution) to be provided from the Net Revenues (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) of the sewage works of the District. The Bonds of this issue of which this Bond

is a part are [on a parity with the Series _____ Bonds and], as to the Net Revenues, on a parity with the Outstanding Bonds and any Future Parity Bonds.

The 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 Resolution, of which this is one, and any bonds ranking on a parity therewith, including the [Series ___ Bonds,] any Future Parity Bonds and the Outstanding Bonds, as to the Net Revenues, 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 said works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Resolution. If the District or the proper officers of the 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 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 Resolution. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the [Series ___ Bonds,] any Future Parity Bonds and the Outstanding Bonds.

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

___% if redeemed on _____ 1, 20__ or thereafter
on or before _____, 20__;
___% if redeemed on _____ 1, 20__ or thereafter
on or before _____, 20__;
0% if redeemed on _____ 1, 20__ or thereafter
prior to maturity;

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

[The Bonds maturing on [January 1] **OR** [July 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 [January 1] **OR** [July 1] in the years and in the amounts set forth below:

20__ Term Bond	
<u>Year</u>	<u>Amount</u>
*	

*Final maturity]

Each [Five Thousand Dollars (\$5,000)] [One Dollar (\$1)] 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.]

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

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

This Bond is transferable or exchangeable only upon the books of the District kept for that purpose at the [designated 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 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 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 RESOLUTION. The Resolution may be amended without the consent of the owners of the Bonds as provided in the Resolution.

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

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

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

IN WITNESS WHEREOF, the Board of Sanitary Commissioners of the City of Muncie, in Delaware County, Indiana, has caused this Bond to be executed in the name of the City of Muncie for and on behalf of the Muncie Sanitary District 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 of the City, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by the Controller of the City.

CITY OF MUNCIE, INDIANA

[SEAL]

By: _____
Mayor

Countersigned:

By: _____
Controller

Attest:

Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

As Registrar

By: _____
Authorized Representative

ASSIGNMENT

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

Dated: _____

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

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

[EXHIBIT A

[To be completed on a separate page]]

Section 6. Preparation and Sale of BANs and Bonds; Official Statement; Continuing Disclosure. (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 BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this resolution, provided that at the time of said delivery the Controller shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall be not less than 99% of the par value of the BANs, or not

less than 99% of the par value of the Bonds. Payment for the BANs and any Bonds may be made in installments. Each series of Bonds herein authorized, as and to the extent paid for and delivered to the purchaser shall be the binding special revenue obligations of the District. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the 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.

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

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

Section 7. Bond Sale Notice. If any series of the Bonds will be sold at a competitive sale, prior to the sale of any series of the Bonds, the Controller shall cause to be published either (i) a notice of such sale two (2) times one (1) week apart in the newspaper or newspapers in

accordance with IC 5-1-11-2(a) and IC 5-11-1(a)(1) which meet the requirements of IC 5-3-1, with the first publication occurring at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, (ii) a notice of intent to sell in the newspaper or newspapers published in the City which meet the requirements of IC 5-3-1 and the *Indianapolis Business Journal* all in accordance with IC 5-1-11-2(b), IC 5-1-11(a)(1) and IC 5-3-1; (iii) a notice or notices as determined by the Controller, upon the advice of the City's municipal advisor, to assist the City with the sale of the Bonds pursuant to IC 5-1-11-1(a)(2); or (iv) the City may negotiate a sale with a potential bidder, upon the advice of the City's municipal advisor. At the election of the City, a notice or summary notice of sale may also be published one (1) time in the *Indianapolis Business Journal*, and a notice or summary notice may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. The notice will also state that the winning bidder will agree to assist the City in establishing the issue price of the Bonds under Treas. Reg. Section 1.148-1(f) ("Issue Price Regulation"). The criteria for establishing the issue price under the Issue Price Regulation shall be set forth in the preliminary Official Statement and/or the bid form. Said notice may provide, among other things, that electronic bidding will be permitted and that the successful bidder shall be required to submit a certified or cashier's check or a wire transfer in an amount equal to one percent (1%) of the aggregate principal amount of the Bonds described in the notice within twenty-four (24) hours of the award of the Bonds. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon

as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then the proceeds of such deposit shall become the property of the City and shall be considered as its liquidated damages on account of such default. All bids for the Bonds shall be sealed and shall be presented either to the Controller, or at the office of the City's municipal advisor on behalf of the Controller. The Controller, or the City's municipal advisor on behalf of the Controller, shall continue to receive all bids offered until the hour on the day fixed in the notice, at which time and place the Controller, or the City's municipal advisor on behalf of the Controller, shall open and consider the bids. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth ($1/8$), one-twentieth ($1/20$) or one-hundredth ($1/100$) of one percent (1%). The notice may provide that the rate bid on any maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than ninety-nine percent (99%) of the par amount of the Bonds will be considered. Prior to the delivery of the Bonds, the Controller shall obtain a legal opinion as to the validity of the Bonds from Ice Miller LLP, bond counsel, of Indianapolis, Indiana, and shall furnish this opinion to the purchaser of the Bonds. The cost of this opinion shall be considered as part of the costs incidental to these proceedings and may be paid out of proceeds of the Bonds.

The Bonds shall be awarded by the Controller to the best bidder who has submitted a bid in accordance with the terms of this resolution, IC 5-1-11 and the notice of sale. The best bidder shall be the one who offers the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds to their maturities and adding thereto the discount bid, if any, and deducting therefrom the premium bid, if any. The Controller shall have full right

to reject any and all bids. If an acceptable bid is not received on the date and time fixed in the notice for sale of the Bonds, the Controller shall be authorized to continue to receive bids from day to day thereafter without further advertisement for a period not to exceed thirty (30) days, during which time no bid which provides a net interest cost to the District which is equal to or higher than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the Clerk-Treasurer may negotiate the sale of any series of Bonds to the Authority as a part of its IFA Program. The Mayor and the Clerk-Treasurer are hereby authorized to: (i) submit an application to the Authority as a part of its IFA Program; (ii) execute one or more Financial Assistance Agreement with the Authority with terms conforming to this resolution; and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Clerk-Treasurer consistent with the terms of this resolution. Any such Financial Assistance Agreement is hereby approved by the District, and the Mayor and Clerk-Treasurer are hereby authorized to execute and deliver the same, and to approve any changes in form or substance to the Financial Assistance Agreement for any series of Bonds so purchased, which are consistent with the terms of this resolution, such changes to be conclusively evidenced by their execution.

Section 8. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sinking Fund. The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the District, in a special account or accounts to be designated as "Muncie Sanitary District, Sewage Works Construction Account" ("Construction Account"). All funds deposited to the credit of the Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or

investing of public funds, including particularly IC 5-13, as amended and supplemented, and as applicable, pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Ice Miller LLP shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

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

With respect to any Bonds sold to the Authority as part of its IFA Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the District or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Authority), the District shall reduce the principal amount of the Bond maturities to effect such reduction in a manner that will still achieve the annual debt service as described in Section 2 subject to and upon the terms set forth in the Financial Assistance Agreement.

Section 9. Revenue Fund. There is hereby continued a fund known as the Sewage Works Revenue Fund ("Revenue Fund") into which there shall be deposited upon receipt, all income and revenues derived from the operation of the sewage works. This fund shall be

maintained separate and apart from all other accounts of the District. All moneys deposited in the Revenue Fund may be invested in accordance with IC 5-13-9, as amended and supplemented including pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11 and/or IC 5-1.2-14.

Section 10. Operation and Maintenance Fund. An Operation and Maintenance Fund (commonly known as the "General Operation Fund" or the "O&M Fund") is hereby continued. On the last day of each calendar month, a sufficient amount of moneys shall be transferred from the Revenue Fund to the O&M Fund so that the balance maintained in this 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 this Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the moneys in such Fund shall be used for depreciation, replacements, improvements, extensions or additions. Any monies in the Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding two months may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal or interest on the then outstanding bonds of the District which are payable from the Net Revenues of the sewage works.

Section 11. Sewage Works Sinking Fund. (a) There is hereby continued a sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable solely from the Net Revenues of the sewage works or from Net Revenues of the sewage works, and the payment of any fiscal agency charges in connection with the payment of bonds and interest, which fund shall be designated the Sewage Works Sinking Fund (commonly known as the "Loan Fund" or "Sinking Fund"). 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 (including any System Development Charges that are not considered Net Revenues) to meet the requirements of the Bond and Interest Account and of the Debt Service Reserve Accounts hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Accounts equal the principal of and interest on all of the then outstanding bonds of the District which are payable solely from the Net Revenues of the sewage works or from Net Revenues of the sewage works to their final maturity.

(b) Bond and Interest Account. After making the credit to the O&M Fund, there shall be transferred on the first day of each calendar month from the Revenue Fund, and credited to the Bond and Interest Account ("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 the Bonds and the Outstanding Bonds on the then next succeeding interest payment date and at least one-sixth (1/6) of the principal of the Bonds and the Outstanding Bonds on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding respective interest and principal payment dates shall have been so credited; provided that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying interest on the Bonds and the Outstanding Bonds as the same become payable. The District shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Debt Service Reserve Account. There is hereby continued, within the Sinking Fund, the Reserve Account ("Reserve Account"). On the date of delivery of the Bonds, the District may deposit funds on hand, Bond proceeds or a combination thereof into the Reserve Account up to an amount which shall cause the balance therein to equal the hereinafter defined Reserve Requirement. If no initial deposit is made or if the balance in the Reserve Account does not equal the Reserve Requirement, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance in the Reserve Account equals but does not exceed the least of: (i) the maximum annual principal and interest requirements on the Outstanding Bonds, the Bonds and any bonds issued in the future by the District which are payable from Net Revenues of the sewage works and which rank on a parity with the Bonds ("Future Parity Bonds"); (ii) 125% of the average annual debt service on the Outstanding Bonds, the Bonds and any Future Parity Bonds; or (iii) 10% of the stated principal amount or issue price, as applicable, of the Outstanding Bonds, the Bonds and any Future Parity Bonds ("Reserve Requirement"). The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Outstanding Bonds, the Bonds and any Future Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Outstanding Bonds, the Bonds and any Future 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 be considered as Net Revenues of the sewage works and shall either be transferred to the herein defined Improvement Fund or be used for the purchase of then outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest plus any premium.

(d) Sewage Works Improvement Fund. There is hereby continued a special fund designated the "Sewage Works Improvement Fund" (commonly known as the "Replacement Fund" or "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. If any BANs or Bonds are sold to the Authority as part of its IFA Program, so long as any of the BANs or Bonds are outstanding, no moneys derived from the revenues of the sewage works shall be transferred to the General Fund of the City or District or be used for any purpose not connected with the sewage works.

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 then outstanding 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.

Section 12. Maintenance of Accounts; Investments. The Sinking Fund shall be deposited in and maintained as a separate banking account or accounts from all other accounts of

the District, including, without limitation, any funds or accounts relative to any other utility of the City or District beyond the sewage works. The O&M Fund and the Improvement Fund may be maintained in a single banking account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the District (including, without limitation, any funds and accounts relative to any other utility of the District beyond the sewage works) and apart from the Sinking Fund account or accounts. All moneys deposited in the funds and accounts continued by this resolution shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code, Title 5, Article 13, as amended or supplemented, including pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 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 except that (a) the Sinking Fund and Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the sewage works and (b) the other Funds and Accounts of the sewage works shall be maintained as a separate bank account from the other funds and accounts of the District, including, without limitation, any other funds and accounts for any other utility of the City or District beyond the sewage works.

Section 13. Maintenance of Books and Records. The District shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all

disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the sewage works prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the District. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports and data of the District relating to the sewage works. Such inspections may be made by representatives duly authorized by written instrument.

Section 14. Rate Covenant. The District covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the sewage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the sewage works, or that in any way uses or is served by the sewage works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the District, including revenues that are pledged hereunder), to provide for the proper and reasonable expenses of operation, repair and maintenance, to comply with and satisfy all covenants contained in this resolution and for the payment of 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 or any BANs. The rates and charges so established shall apply to any and all use of such works by and service rendered to the District and the City, and shall be paid by the District and the City, as the case may be, as the charges accrue.

Section 15. 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 District's sewage works.

Section 16. Additional Bond Provisions. The District reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The District reserves the right to authorize and issue Future 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.

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

For purposes of this subsection all showings shall be prepared by a certified public accountant or nationally recognized firm of professionals experienced in analyzing financial records of municipal utilities employed by the District for that purpose. In addition, for purposes of this subsection with respect to any such Future Parity Bonds, while any series of Bonds remain outstanding and are owned by the Authority as part of the IFA Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Future Parity Bonds without satisfying this subsection (b).

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

(d) If any series of Bonds issued hereunder are outstanding and owned by the Authority as part of its IFA Program, (i) the District obtains the consent of the Authority, (ii) the District has faithfully performed and is in compliance with each of its obligations, agreements

and covenants contained in the Financial Assistance Agreement and this resolution, and (iii) the District is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which purpose the Future Parity Bonds are issued, including refunding bonds issued prior to, but part of, the overall plan to eliminate such non-compliance.

Section 17. Further Covenants of the 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 District in connection with the construction of the Project 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 District. All estimates for work done or material furnished shall first be checked by the engineer and approved by the District.

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

(d) So long as any of the Bonds and BANs are outstanding, the District shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. As an alternative to maintaining such insurance, the 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 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) So long as any of the BANs and/or Bonds are outstanding and owned by the Authority as part of its IFA Program, the District shall not without the prior written consent of the Authority (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the sewage works other than for normal operating expenditures, or (ii) borrow any money (including without limitation any loan from other utilities operated by the District or City) in connection with the sewage works.

(g) Except as hereinbefore provided in Section 17 hereof, so long as any of the Bonds herein authorized are outstanding, no Future Parity Bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the

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 17 hereof coincidentally with the delivery of such Future Parity Bonds or other obligations.

(h) The 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, sewage, night soil or industrial waste is produced with available sanitary sewers. The District shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(i) The provisions of this resolution shall constitute a contract by and between the District and the owners of the Bonds and BANs herein authorized, and after the issuance of the 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, resolution 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 21(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.

(j) The provisions of this resolution shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this resolution and of the 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 of 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 said sewage works, in the event the District shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or there be a 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. 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 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 18. Investment of Funds. (a) The Controller is hereby authorized to invest moneys pursuant to the provisions of this resolution and IC 5-1-14-3 (subject to applicable

requirements of federal law to ensure 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.

(b) The Controller shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts continued or referenced herein. In order to comply with the provisions of the resolution, the Controller is hereby authorized and directed to employ consultants or attorneys from time to time to advise the District as to requirements of federal law to preserve the tax exclusion. The Controller may pay any fees as operation expenses of the sewage works.

Section 19. 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 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 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 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 District enters into a management contract for the sewage works, the terms of the contract will comply with IRS 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 Regulations, 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, 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 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 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 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 District act in any other manner which would adversely affect such exclusion for any Bonds issued as tax exempt bonds. The 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 be not 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 for any Bonds or BANs issued as tax exempt bonds or BANs 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 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 20. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 18(i), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds

issued pursuant to this resolution and then outstanding shall have the right, from time to time, anything contained in this resolution to the contrary notwithstanding, to consent to and approve the adoption by the District of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the 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 so long as any of the Bonds and/or BANs are owned by the Authority as part of its IFA Program, the District shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

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

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

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

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

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

(f) A reduction in the Reserve Requirement; or

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

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental

resolution shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Board of the 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 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 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 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 District and the consent of the owners of all the Bonds issued pursuant to this resolution then outstanding.

Section 21. Issuance of BANs. (a) The 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 ("Note Purchase Agreement") to be entered into between the District and the purchaser of the BAN or BANs. If the BANs are sold to the Authority as part of its IFA Program, the Financial Assistance Agreement shall serve as the Note Purchase Agreement. The Board hereby authorizes the issuance and execution of the BAN or

BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the 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.

(b) The Mayor and the Controller are hereby authorized and directed to execute a Note 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 and the Controller 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 22. Resolution to be Filed with Controller. The Secretary to the Board ("Secretary") is hereby directed to file a certified copy of this resolution with the Controller for preparation of the Bonds.

Section 23. Tax Exemption. Notwithstanding any other provisions of this resolution, the covenants and authorizations contained in this resolution ("Tax Section") which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law for any Bonds or BANs issued as tax exempt bonds or BANs ("Tax Exemption") need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 24. 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 in any respect any of the provisions of the

resolutions authorizing the Outstanding Bonds nor be construed as adversely affecting the rights of any of the holders of the Outstanding Bonds.

Section 25. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 28th day of May, 2025.

BOARD OF SANITARY COMMISSIONERS
MUNCIE SANITARY DISTRICT



President



Member



Member

ATTEST:

Secretary

EXHIBIT A

Description of Projects

The Project consists of repairs, replacements, and extensions throughout the District, including:

The Muncie Water Pollution Control Facility (MWPCF) capacity improvement project will take place at the MWPCF located on 5120 Bill Martin Ave. To achieve compliance with Muncie's Long Term Control Plan (LTCP), the wet-weather treatment capacity of the MWPCF must be increased from 38 MGD to 60 MGD. This project includes the evaluation and selection of various improvements throughout the plant including upgrades to screening, influent pumping, grit removal, primary clarification, anaerobic digestion and belt filter presses.

The Kilgore Interceptor project is located along a 2-mile stretch of Kilgore Ave. between W. 1st Street and the MWPCF. To achieve compliance with LTCP, a new Sanitary Sewer Interceptor line must be added. The proposed improvement is anticipated to require reconstruction of the roadway along the route. The reconstruction will include new pavement, curbs, sidewalk, ADA curb ramps, storm sewer, pavement markings and signage.

The CSO 007 project is located near Wheeling Avenue and Queen Street, in the Riverside-Normal City neighborhood in Muncie, Indiana. The White River borders the neighborhood on the east side and Ball State University is located west of the neighborhood. The CSO 007 basin comprises approximately 140 acres and outfalls into the White River via an existing outfall pipe. To achieve compliance with the LTCP, the CSO 007 area needs to be separated. The project will include the design of storm and sanitary sewer mains, manhole replacement, water main, pavement replacement, earthwork, streetscape design, erosion control, traffic maintenance, etc.

The CSO 023 project is located near S Hoyt Ave. and W 17th St. in the Thomas Park-Avondale neighborhood in Muncie, Indiana. Buck Creek borders the neighborhood to the south. The CSO 023 basin comprises approximately 77 acres and outfalls into Buck Creek via an existing outfall pipe. To achieve compliance with the LTCP, the CSO 023 area needs to be separated. The project includes the design of storm and sanitary sewer mains, manhole replacement, water main, pavement replacement, earthwork, streetscape design, erosion control, traffic maintenance, etc.

The Project may also include any other additions, improvements, or extensions necessary to implement the LTCP developed to control Muncie's CSOs and improve water quality in the White River as required by the Clean Water Act.

CSO-022 and CSO-28 projects will also be developed to separate storm and sewer drains in these basins. These projects will include the design of storm and sanitary sewer mains, manhole replacement, water main, pavement replacement, earthwork, streetscape design, erosion control maintenance of traffic, etc. Floatable controls may also be necessary at the outfalls. More precise project details will be developed in the next five years.

The Project will also include any incidental and necessary sewage works projects as required for the operational and maintenance or regulatory requirements following substantial or milestone completion of the above-named projects.