



BOARD OF DIRECTORS  
CORDRY-SWEETWATER CONSERVANCY DISTRICT

BOND RESOLUTION NO. 2024-12

WHEREAS, the Board of Directors of the Cordry-Sweetwater Conservancy District (“Board”) is the governing body of the Cordry-Sweetwater Conservancy District (“District”);

WHEREAS, the District has heretofore been established and operates pursuant to IC 14-33, as in effect on the issue date of the bonds authorized herein (“Act”); and

WHEREAS, the Board adopted a resolution on August 5, 2024 to tentatively adopt the drawings, specifications and cost estimates for certain improvements to the Cordry Dam, Spillway and appurtenant structures as more fully described on Exhibit A attached hereto and incorporated herein by reference (“Project”); and

WHEREAS, the Board finds that plans, specifications and estimates have been prepared and filed by the engineers employed by the District for the construction of said Project; which plans, specifications and estimates have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management (“Department”), and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the District as required by law; and

WHEREAS, the District will advertise for and receive bids for 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 engineering estimates, the cost of the Project, including estimated incidental expenses, is an amount not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000); and

WHEREAS, the Board finds that there are no funds on hand to apply on the cost of the Project, and that the entire cost of the Project will be funded with the issuance of conservancy district bonds, in one or more series and, if necessary, bond anticipation notes ("BANs") in an aggregate principal amount not to exceed \$3,200,000; and

WHEREAS, the Board has been advised that the total cost of the Project authorized herein will not exceed the lesser of: (i) \$6,350,000; or (ii) the greater of (a) one percent (1%) of the total gross assessed value of property within the District on the last assessment date, or (b) \$1,000,000, and, therefore, the bonds will not be issued to fund a controlled project as defined in IC 6-1.1-20-1.1; and

WHEREAS, the District desires to authorize the issuance of BANs hereunder, if necessary, in one or more series, and to authorize the refunding of the BANs, if issued; and

WHEREAS, the District may enter into one or more Financial Assistance Agreements, Funding Agreements and/or Financial Aid Agreements with the Indiana Finance Authority ("Authority") as part of one or more of its environmental programs including its wastewater loan fund program and/or supplemental assistance program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10 and IC 5-1.2-11 ("IFA Programs"), pertaining to the Project and the financing of the Project (hereinafter, each an "IFA Agreement") if the bonds or other obligations are sold to the IFA Programs; and

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

WHEREAS, the Board reasonably expects to reimburse certain preliminary costs of the Project with proceeds of debt to be incurred by the District in an amount not to exceed \$3,200,000; 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 DIRECTORS OF THE CORDRY-SWEETWATER CONSERVANCY DISTRICT, THAT:

Section 1. Authorization of Project; Reimbursement. The District proceed with the Project in accordance with the plans, specifications and cost estimates heretofore prepared and filed by consulting engineers employed by the District, which plans, specifications and cost estimates are now on file or will be subsequently placed on file in the office of the District, and are hereby adopted and approved, and by reference made a part of this resolution as fully as if the same were attached hereto and incorporated herein. The Project shall include the repayment of the Note. The estimated cost of the Project is expected not to exceed \$3,200,000, plus investment earnings on the BAN and bond proceeds. The Project shall be completed in accordance with the plans and specifications heretofore mentioned, which Project is 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.

The Board hereby declares its official intent to complete the Project, to reimburse certain costs of completing the Project with proceeds of debt to be incurred by the District, and to issue debt not exceeding \$3,200,000 in aggregate principal amount for purposes of paying and reimbursing costs of the Project.

Section 2. Issuance of BANs and Bonds; Registrar and Paying Agent; Book-Entry Provisions. (a) The District shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the cost of the Project. The District may issue its BANs, in one or

more series, in an aggregate principal amount not to exceed One Million Two Hundred Thousand Dollars (\$3,200,000) to be designated "[Taxable] Conservancy District Bond Anticipation Notes of \_\_\_\_" (to be completed with the year in which issued and the appropriate series designation, if any). The BANs shall be sold at not less than 99% of their par value, shall be numbered consecutively from 1 upward, shall be in any multiples of One Thousand Dollars (\$1,000) as set forth in the hereinafter defined Note Purchase Agreement for the BANs or in denominations of One Dollar (\$1) each or integral multiples thereof, if sold to the Authority as part of its IFA Programs, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 6% per annum (the exact rate or rates to be determined through negotiation with the purchaser of the BANs) payable upon maturity or redemption. The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 6% 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.

The BANs shall be issued pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10 and IC 5-1.2-11 if sold to the Authority, IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to the Act if sold to a bank or savings association licensed to do business in Indiana. The District shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of bonds pursuant to and in the manner prescribed by the Act. The bonds will be payable out of a special benefits tax to be levied on all real property within the District.

(b) The District shall issue its Conservancy District Bonds, in one or more series, in the aggregate principal amount not to exceed \$3,200,000 to be designated "[Taxable]

Conservancy District Bonds of \_\_\_\_\_," to be completed with the year in which issued and 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.

The Bonds shall be issued and sold at a price not less than their par value if sold to the Authority as part of its IFA Programs or not less than 99% of their par value if sold to any other purchaser, shall be issued in fully registered form in denominations of One Dollar (\$1) each or integral multiples thereof, if sold to the Authority as part of its IFA Programs and in denominations of \$5,000 each 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% per annum (the exact rate or rates to be determined through negotiation with the Authority, through its IFA Programs or as determined by bidding). Interest on the Bonds is payable semiannually on January 1 and July 1 in each year, commencing no sooner than the first January 1 or the first July 1 after the date of issuance of the Bonds, as determined by the Chairman, 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 annually on January 1 or be subject to mandatory sinking fund redemption on January 1 over a period ending no later than 20 years from the date of issuance of the Bonds, and in such amounts that will either (i) produce as level annual debt service as practicable taking into account the annual debt service on all series of Bonds issued hereunder, or (ii) if the Bonds are sold to the Authority as part of its IFA Programs, allow the District to meet the amortization requirements of the IFA Programs. If the Bonds are sold to the Authority as part of its IFA Programs, such debt service schedule shall be finalized and set forth in the IFA Agreement.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser thereof. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on January 1 or July 1 on the dates as determined by the purchaser thereof, but in no event later than the final serial maturity date of the Bonds as determined in accordance with the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereinafter determined in accordance with the above paragraph.

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

If any series of Bonds or BANs issued hereunder are not tax-exempt obligations as described in Section 16, the designated title for such Bonds and BANs shall include the word "Taxable" in such designation.

Notwithstanding anything contained herein, the District may accept any other forms of financial assistance, as and if available, from the IFA Programs (including without limitation any forgivable loans, grants or other assistance) whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto. Such financial assistance, if any, shall be provided in the IFA 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 Chairman and the Financial Clerk are hereby authorized to contract with 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 Financial Clerk is hereby authorized 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 Financial Clerk 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 fund created hereunder 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 Programs or any other purchaser that does not object to such designation, the Financial Clerk may serve as Registrar and Paying Agent and in that case is hereby charged with the duties of a Registrar and Paying Agent.

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

If such Bonds and BANs are not sold to the Authority as part of its IFA Programs or if wire transfer payment is not required, the principal and interest on the BANs and the principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each payment ("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). Notwithstanding anything herein to the contrary, if the Bonds are purchased by the Indiana Bond Bank ("Bond Bank"), all payments of principal of and interest on the Bonds shall be paid on or before the due date by wire transfer or other form of electronic payment in accordance with written wiring instructions provided by the Bond Bank to the Registrar and Paying Agent before the Record Date for such payment, or with Bond Bank's written consent, by such other commercially reasonable method of payment, and the Bond Bank shall not be required to surrender or present the Bonds for payment of any principal or interest on the Bonds, except upon redemption in full or upon final maturity.

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

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

Upon the appointment of any successor registrar and paying agent by the District, the Financial Clerk is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Financial Clerk is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it

provides as registrar and paying agent and such fees may be paid from the fund created to pay the principal of and interest on the Bonds. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

Interest on Bonds sold to the Authority as part of its IFA Programs shall be paid from the date or dates of payments made by the Authority as part of its purchase of the Bonds pursuant to the IFA 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.

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

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the District and the Paying Agent

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

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

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

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

If the District determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the District may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate

amounts, and whenever the Depository Trust Company requests the District and the Registrar to do so, the Registrar and the District will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause 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 District indemnification for all costs and expenses associated with such printing.

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

So long as the Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the District and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same

extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this resolution and the District and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

Section 3. Redemption of BANs and Bonds. (a) The BANs are prepayable by the District, in whole or in part, on any date, upon 20 days' notice to the owner of the BANs, without any premium.

(b) For any Bonds sold to the Authority as part of its IFA Programs, 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 Programs 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 Chairman, with the advice of the District's financial advisor, prior to the sale of the Bonds.

For any Bonds not sold to the Authority as part of its IFA Programs, the Bonds are redeemable at the option of the District on any date no sooner than five (5) years after their date of delivery, 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, without premium, plus in each case

accrued interest to the date fixed for redemption. The exact redemption features shall be determined by the Chairman, with the advice of the District's financial 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 shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

(d) Notice of redemption shall be given not less than sixty (60) days, if the Bonds are sold to the Authority as part of its IFA Programs, and thirty (30) days, if the Bonds are sold to another purchaser, prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the District as of the date which is sixty-five (65) days if the Bonds are sold to the Authority as part of its IFA Programs, and forty-five (45) days if the Bonds are 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 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.

Section 4. Execution of Bonds and BANs. The BANs and Bonds shall be signed in the name of the District by the manual or facsimile signature of the Chairman and attested by the manual or facsimile signature of its Secretary, who shall affix the seal, if any, of the District to each of the BANs and Bonds manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the BANs and Bonds. The Bonds must be authenticated by an authorized officer of the Registrar.

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 Cordry-Sweetwater Conservancy District, 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 BROWN

CORDRY-SWEETWATER CONSERVANCY DISTRICT  
CONSERVANCY DISTRICT BOND OF \_\_\_\_\_[, SERIES \_\_\_\_]

<u>Interest</u> <u>Rate</u>	<u>[Maturity</u> <u>Date ]</u>	<u>Original</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	<u>[CUSIP]</u>
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REGISTERED OWNER:

PRINCIPAL SUM:

The Cordry-Sweetwater Conservancy District ("District"), in Brown County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special fund hereinafter referred to, 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 in the years and in the amounts as set forth on Exhibit A attached hereto] (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from [the dates of payment made on this Bond] **OR** [the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_ 15, \_\_\_\_\_, in which case it shall bear interest from the Original Date,] which interest is payable semiannually on the first days of January and July of each year, beginning on \_\_\_\_\_, \_\_\_\_\_. 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 and] interest on this Bond shall be paid by [check mailed one business day prior to the interest payment date] **OR** [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority ("Authority") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by [\_\_\_\_\_ ("Registrar" or "Paying Agent") in the \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_] **OR** [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This bond is the obligation and indebtedness of the District, as a special taxing district. The District, acting through its Board of Directors, covenants that it will cause a special tax on all real property of the District for the payment of the principal of and the interest on this Bond to be levied, collected and applied for that purpose. This bond is negotiable, subject to registration provisions, pursuant to the laws of the State of Indiana.

This Bond is [the only] one of an authorized issue of Bonds of the District, [[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 from 1 up, issued for the purpose of providing funds to be applied on the cost of the sediment mitigation project of the District[, to refund interim notes issued in anticipation of the Bonds] and to pay issuance expenses, as authorized by a Bond Resolution adopted by the Board of Directors of the District on the \_\_\_\_ day of \_\_\_\_\_, 2024 ("Resolution"), and in strict compliance with the provisions of IC 14-33, as in effect on the issue date of the Bonds ("Act").

[Reference is hereby made to the IFA Agreement ("IFA Agreement") between the District and the Indiana Finance Authority ("Authority") concerning certain terms and covenants pertaining to the project and the purchase of this Bond as part of the wastewater loan program and/or supplemental assistance program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10 and IC 5-1.2-11.]

Pursuant to the provisions of the Act and the Resolution, the principal of and interest on the Bonds are payable solely from the District's Bond Payment Fund (the "Bond Fund") to be provided from a special benefits tax to be levied on all of the taxable real property within the District.

The District has designated the Bonds as qualified tax-exempt obligations to qualify for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code



days prior to such redemption date, not less than [sixty (60)] [thirty (30)] days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the 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] [a principal corporate trust] office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The 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.

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 [\$1] [\$5,000] or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

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

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

IN WITNESS WHEREOF, the Cordry-Sweetwater Conservancy District, in Brown County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of its Chairman, **[its corporate seal to be hereunto affixed, imprinted or impressed by any means]** and attested manually or by facsimile by its Secretary.

CORDRY-SWEETWATER CONSERVANCY  
DISTRICT

[SEAL]

By: \_\_\_\_\_  
Chairman, Board of Directors

Attest:

\_\_\_\_\_  
Secretary

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]]

[End of Bond Form]

Section 6. Preparation and Sale of BANs and Bonds. (a) The Secretary is hereby authorized and directed to have the BANs and Bonds prepared, and the Chairman and Secretary are hereby authorized and directed to execute the BANs and Bonds in the form and manner herein provided. The Financial Clerk 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 the delivery the Financial Clerk shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 99% of the par value of the BANs, not less than the par value of the Bonds if sold to the Authority as part of its IFA Programs and not less than 99% of the par value of the Bonds if sold to any other purchaser. The District may receive payment for the Bonds and the BANs in installments. 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 Baker Tilly Municipal Advisors, LLC, on behalf of the District, is hereby approved and the Chairman or the Secretary are authorized and directed to execute the Official Statement on behalf of the District in a form consistent with this resolution. The Chairman or the Secretary 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 necessary to comply with the Rule, the District shall execute and deliver a form of Continuing Disclosure Undertaking ("Disclosure Undertaking"). The Chairman or the Secretary are hereby authorized and directed to complete and execute the Disclosure Undertaking on behalf of the District, if necessary to comply with the Rule. Notwithstanding any other provisions of this resolution, failure of the District to comply with the Disclosure Undertaking shall not be considered an event of default under the Bonds or this resolution.

Section 7. Sale of Bonds; Award of Bonds. If any series of Bonds are sold at a competitive sale, prior to the sale of any series of Bonds, the Financial Clerk may cause to be published either: (i) a notice of such sale two times, at least one week apart in the newspaper or newspapers in accordance with IC 5-1-11-2(a) and IC 5-1-11-1(a)(1) which meets the requirements of IC 5-3-1, with the first publication occurring at least fifteen (15) days prior to the sale date and the second publication occurring at least three (3) days prior to the sale date, (ii) a notice of intent to sell bonds in the *Indianapolis Business Journal* and the newspaper or newspapers which meet the requirements of IC 5-3-1, as described in (i) above, all in accordance with IC 5-1-11-2(b) and IC 5-1-11-1(a)(1) and IC 5-3-1; (iii) a notice or notices as determined by the Financial Clerk, upon the advice of the District's municipal advisor, to assist the District with the sale of the Bonds pursuant to IC 5-1-11-1(a)(2); or (iv) the District may negotiate a sale with a potential bidder, upon the advice of the District's municipal advisor. If published, the notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Financial Clerk and the attorneys employed by the District 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 District 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 bid form. The notice may provide, among other things, that the successful bidder shall be required to submit a certified or cashier's check in an amount equal to 1% of the principal amount of the Bonds described in the notice within twenty-four hours of the sale and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the District and shall be considered as its liquidated damages on account of such default; that bidders for the Bonds will 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) or one-hundredth (1/100) of one percent (1%). The notice may provide that the rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 98% of the face amount of the Bonds will be considered. The opinion of Ice Miller LLP, bond counsel of Indianapolis, Indiana, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the District.

The Bonds shall be awarded by the Financial Clerk to the best bidder who has submitted his bid in accordance with the terms of this resolution, IC 5-1-11 and the notice. The best bidder will be the one who offers the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from



day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the District than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the District may negotiate the sale of the Bonds to the Authority as part of its IFA Programs. The Chairman and the Secretary are hereby authorized to (i) submit an application to the Authority as part of its IFA Programs, (ii) execute a IFA Agreement with the Authority with terms conforming to this resolution and (iii) sell such Bonds upon such terms as are acceptable to the Chairman and the Secretary consistent with the terms of this resolution.

As an additional alternative to public or otherwise negotiated sale, the District may negotiate the sale of the Bonds to the Indiana Bond Bank. The Chairman and the Secretary are hereby authorized to (i) submit an application to the Indiana Bond Bank, (ii) execute a Purchase Agreement with the Indiana Bond Bank with terms conforming to this ordinance and (iii) sell such bonds upon such terms as are acceptable to the Chairman and the Secretary consistent with the terms of this ordinance.

Section 8. Financial Records and Accounts. (a) The District shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all monies received by the District and all disbursements made and all transactions relating to said Project. Copies of all such statements and reports, including audits prepared by the State Board of Accounts, shall be kept on file in the office of the District.

(a) If the BANs or Bonds are sold to the Authority as part of its IFA Programs, the District shall establish and maintain the books and other financial records of the Project

(including the establishment of a separate account or subaccount for the Project) in accordance with (i) generally accepted governmental accounting standards for utilities, on a cash basis, and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 9. Use of Proceeds. At the time of the delivery of the Bonds, any premium shall be deposited the hereinafter defined Bond Fund and used to pay interest on the Bonds. 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 "Cordry-Sweetwater Conservancy District, Conservancy District Construction Account" ("Construction Account"). All funds deposited to the credit of the Bond 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 and IC 5-1.2-11. 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 services of Ice Miller LLP, the District's Attorney and Baker Tilly Municipal Advisors, LLC, 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 Bond Fund and used solely for the purposes of the Bond Fund or (2) be used to reduce the rate of taxation in the District, 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 Programs, 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 Department and the Authority), the District shall reduce the principal amounts of the Bond maturities to effect such reduction in a manner that will still achieve the annual debt service as described in Section 2(b) subject to and upon the terms set forth in the IFA Agreement.

Section 10. Pledge of Special Benefits Taxes; Tax Levy. In order to provide for the payment of the principal of and interest on the Bonds, there is hereby pledged and there shall be levied in each year upon all taxable real property in the District a special tax in an amount and in such manner sufficient to meet and pay the principal of and interest on the Bonds as the same become due.

Section 11. Bond Payment Fund. (a) There is hereby created a special fund designated "Bond Payment Fund" ("Bond Fund") for the payment of the principal of and interest on the Bonds, and the payment of any fiscal agency charges in connection with the payment of the Bonds. There shall be set aside and deposited in said Bond Fund, as available, and as hereinafter provided, a sufficient amount of the special benefits taxes to meet the requirements of (i) the principal of all then outstanding Bonds payable on the then next succeeding principal payment date and (ii) the interest on all then outstanding Bonds payable on the then next succeeding interest payment date. There shall similarly be credited to the Bond Fund any amount necessary to pay the bank fiscal agency charges for paying interest and principal on the Bonds as the same become payable. The Board shall, from the sums deposited in the Bond Fund, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to

pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Accounts to be held in Trust. The Bond Fund and the Construction Account, may be held by a financial institution acceptable to the Authority as part of its IFA Programs, pursuant to terms acceptable to the Authority. If the Bond Fund is held in trust, the District shall transfer the special benefits tax to the financial institution holding such funds in trust which shall be instructed to pay the required payments in accordance with the payment schedules for the District's outstanding bonds. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for the Bonds. If the Construction Account is so held in trust, the District shall deposit the proceeds of the Bonds therein until such proceeds are applied consistent with this resolution and the IFA Agreement. The Chairman and the Secretary are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Bond Fund and the Construction Account in the form of trust agreement as approved by the Chairman and the Secretary, consistent with the terms and provisions of this resolution.

Section 12. Maintenance of Accounts; Investments. The Bond Fund shall be deposited in and maintained as a separate banking account or accounts from all other accounts of the District. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, as amended or supplemented and as applicable, pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10 and IC 5-1.2-11, 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 created by this resolution except that the Bond Fund and Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the District.

Section 13. 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 special taxes to be levied upon all real property in the District.

Section 14. 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 any of the BANs or Bonds are outstanding, the District shall not sell, transfer, lease or otherwise encumber the District's property, or any portion thereof, or any interest therein, except only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said District, provided that, if the Authority purchases the Bonds as part of its IFA Programs, so long as the Bonds are outstanding and owned by the Authority, the District shall obtain the prior written consent of the Authority.

(d) 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 of Directors 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 17(a)-(e), this resolution may be amended, however, without the consent of BAN or Bond owners, if the Board of Directors determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided,

however, that if the BANs or Bonds are sold to the Authority as part of its IFA Programs the District shall obtain the prior written consent of the Authority.

(e) 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 special benefits tax herein directed to be set apart and paid into the Bond Fund for the uses and purposes of said fund as in this resolution set forth.

Section 15. Investment of Funds. (a) The Financial Clerk is hereby authorized to invest money pursuant to IC 5-1-14-3 and the provisions of this resolution (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law.

(b) The Financial Clerk shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts referenced herein. In order to comply with the provisions of the resolution, the Financial Clerk 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 Financial Clerk may pay any fees as operation expenses of the District.

Section 16. 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 Project 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 Project, 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 or BANs, this resolution or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be



derived from payments (whether or not to the 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. 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 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:

(i) The District is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability that, when collected, may be used for the general purposes of the District;

(ii) The BANs and the Bonds are not private activity bonds as defined in Section 141 of the Code;

(iii) At least 95% of the net proceeds of the BANs and Bonds will be used for local governmental activities of the District or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the District;

(iv) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the District and all units subordinate to the District, including on-behalf-of issuers and subordinate entities as those terms are defined in Regulations Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000 in calendar year 2024; and

(v) The District has not been formed or availed of to otherwise avoid the purposes of the \$5,000,000 size limitation.

Therefore, the District meets the requirements of Section 148(f)(4)(D) of the Code and will not have to rebate any arbitrage profits to the United States.

(j) The District represents that:

(1) The Bonds and the BANs are not private activity bonds as defined in Section 141 of the Code;

(2) The District hereby designates the Bonds and the BANs as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(3) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the District, and all entities subordinate to the District during 2024 does not exceed \$10,000,000; and

(4) The District will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2024.

Therefore, the Bonds and the BANs qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

Section 17. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 14(d), 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 if the Bonds or BANs are

sold to the Authority as part of its IFA Programs, 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) 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

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

(e) 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 Secretary 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 18. 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 Programs, the IFA Agreement shall serve as the Note Purchase Agreement. The Board of Directors 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 Chairman and the Secretary are hereby authorized and directed to execute a Note Purchase Agreement or IFA 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 Chairman, the Financial Clerk and the Secretary 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 19. Tax Exemption. Notwithstanding any other provisions of this resolution, the covenants and authorizations contained in this resolution ("Tax Sections") which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law ("Tax Exemption") need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Sections are unnecessary to preserve the Tax Exemption.

Section 20. Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith are hereby repealed.

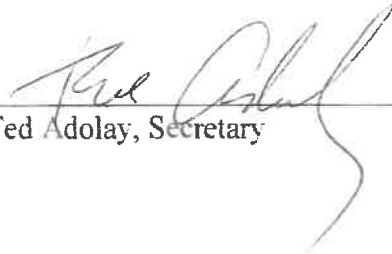
Section 21. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 5 day of August, 2024.

CORDRY-SWEETWATER CONSERVANCY  
DISTRICT BOARD OF DIRECTORS

  
\_\_\_\_\_  
Michael Leveritt, Chairman  
Leavitt

ATTEST:

  
\_\_\_\_\_  
Ted Adolay, Secretary

**EXHIBIT A**

**Project Description**