

**CITY OF HOBART STORM WATER MANAGEMENT DEPARTMENT
BOARD OF DIRECTORS**

RESOLUTION NO. 2018-3

A RESOLUTION OF THE STORM WATER MANAGEMENT DEPARTMENT BOARD OF DIRECTORS OF THE CITY OF HOBART, INDIANA, GOVERNING BODY OF THE STORM WATER MANAGEMENT DISTRICT OF THE CITY OF HOBART, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS OF THE STORM WATER MANAGEMENT DISTRICT TO PROVIDE FUNDS TO BE APPLIED TO THE COSTS OF CERTAIN STORM WATER IMPROVEMENTS AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH STORM WATER MANAGEMENT DISTRICT AND OTHER RELATED MATTERS

WHEREAS, the City of Hobart, Indiana (the “City”), has heretofore adopted the provisions of IC 8-1.5-5 establishing the Storm Water Management District of the City (the “District”), to be governed by the Board of Directors of the District (the “Board”), and established, constructed and financed a municipal storm water system for the purpose of providing for the collection and disposal of storm water throughout the District (the “System”), and now owns and operates the System pursuant to IC 8-1.5-5, as amended (the “Act”); and

WHEREAS, the Act authorizes the issuance of revenue bonds of the District payable solely from revenues of the District in lieu of a special tax to be levied upon all the taxable property in the District; and

WHEREAS, pursuant to the Act, the Board adopted a Declaratory Resolution on April 24, 2018 (the “Declaratory Resolution”), determining that it is reasonable and necessary for the protection of the public health and welfare of the inhabitants of the District and the safeguarding of the property within the District, and that it will be of public utility and benefit, to (a) acquire, construct, rebuild, repair, extend and improve the storm water system and equipment, to include, without limitation, any or all of the following projects:

- (i) Cressmoor/Villa Shores/Hillman Heights Trunk Storm Sewers – The construction of trunk storm sewers from approximately 37th Ave. and Wisconsin St. to approximately W. 39th Ave. and Ridgelawn Dr. to alleviate flooding and provide an outlet for future storm sewer projects in the area;
- (ii) 3rd St. Bridge Replacement – The reconstruction of the 3rd St. Bridge over Lake George/Deep River to reduce flood elevations and facilitate lake access which will provide a new bridge that will be wider and higher than the existing bridge;
- (iii) Elimination of Lift Station No. 2 – The construction of a gravity sewer from Harbor Club Dr., along Lake Park Avenue, and through the proposed Cressmoor Estates Subdivision to connect the influent pipe of Lift Station No. 2 to the HSD gravity system and decommission Lift Station No. 2;

- (iv) Main Lift Station Improvements – Improvements to the HSD’s Main Lift Station that may include replacement pumps, replacement VFD controls, repairing or replacing the wet well sluice gate, adding ingress/egress systems to the wet well and pump room, and adding a generator;
- (v) Crestwood/Mundell Inflow and Infiltration Elimination – Rehabilitation of the existing sanitary sewer system upstream of the Sanitary Sewer Overflow (SSO) located at the north end of South Lake Park Ave. on Lake George;
- (vi) South Side Sanitary Sewer Phase II – Construction of the infrastructure required to provide sanitary sewer service along the future Arizona St. south of 61st Ave. and the adjacent petroleum pipelines;
- (vii) Grand Blvd. Storm Sewer – Construction of a storm sewer from the intersection of Grand Blvd and 83rd Ave. north to US-30 to alleviate flooding at that intersection;
- (viii) Replacement or Elimination of Lift Station No. 4 – Replacement of the existing lift station and force main or the elimination of it through a gravity sewer or by combing it with another lift station;
- (ix) Replacement or Elimination of Lift Station No. 5 – Replacement of the existing lift station and force main or the elimination of it through a gravity sewer or by combining it with another lift station; and

any other necessary appurtenances, related improvements and equipment, to serve the District (collectively, the “Project”); and

WHEREAS, on May 22, 2018, after notice and a public hearing thereon, the Board confirmed the Declaratory Resolution by the adoption of a Confirmatory Resolution; and

WHEREAS, the Board has properly determined that the Project is necessary and of public utility and benefit in accordance with the Act and has previously adopted general plans, specifications and cost estimates for the Project; and

WHEREAS, the Board of Commissioners of the Sanitary District of the City (the “Sanitary District”) has adopted a resolution on May 22, 2018 (the “Pledge Resolution”), pledging Net Revenues (as defined in the Pledge Resolution) of the Sanitary District in an amount not to exceed One Hundred Thousand Dollars (\$100,000) annually to payment of debt service of revenue bonds of the District authorized herein, such pledge being made on a junior basis to the Sanitary District’s outstanding or future indebtedness (the “Sanitary District Pledged Revenues”); and

WHEREAS, the Board has determined it to be advisable to issue bonds of the District, in one or more series, payable from the Net Revenues of the System (including the Sanitary District Pledged Revenues), in an original aggregate principal amount not to exceed Fifteen Million Seven Hundred Fifty Thousand Dollars (\$15,750,000) for the purpose of providing for the payment of (a) the costs of the Project, (b) reimbursement of preliminary expenses related thereto and all incidental expenses incurred in connection therewith, including necessary engineering, design, supervisory and related activities and the costs of the issuance of the bonds therefor, (c) funding of a debt service reserve for such bonds as provided herein, and (d) if

necessary, bond anticipation notes in anticipation of the issuance thereof (all of which are deemed to be a part of the Project); and

WHEREAS, all conditions precedent to the adoption of a resolution authorizing the issuance of bonds and, if determined to be necessary, bond anticipation notes have been complied with in accordance with the provisions of the Act;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City of Hobart, Indiana, Storm Water Management Department Board of Directors as follows:

Section 1. Acquisition, Construction, Installation and Equipping of the Project. The District, acting by and through the Board, is hereby ordered, authorized and directed to proceed with the acquisition, construction, installation and equipping of storm water improvements constituting the Project as described herein, pursuant to the Act and in accordance with the plans, specifications and cost estimates heretofore prepared and filed with the Board, which plans, specifications and cost estimates are hereby reaffirmed and readopted and, by reference, incorporated fully into this Resolution. The actions of the District in connection with the acquisition of any and all necessary property and the acquisition, construction, installation, equipping and financing of such storm water improvements are hereby authorized, approved, ratified and confirmed.

The District, acting by and through the Board, shall proceed with the acquisition, construction, installation and equipping of the Project and shall enter into all contracts necessary or appropriate for such purpose, in conformity with and subject to the requirements and conditions set forth in this Resolution and in the Act.

Section 2. The Bonds. In accordance with the Act and for the purpose of providing funds with which to pay the costs of the Project, together with all authorized costs relating thereto including the costs of issuance of the Bonds, as hereinafter defined, on account thereof, the Clerk-Treasurer of the City (the "Clerk-Treasurer") is hereby authorized and directed to have prepared and to issue and sell the negotiable bonds of the District, in one or more series, issued in the name of the City in the manner provided in Section 5 of this Resolution. The Bonds shall be designated as the "City of Hobart, Indiana, Storm Water Management District Revenue Bonds, Series 2018" (or may have such other designation as the Clerk-Treasurer may determine prior the issuance thereof) (the "Bonds"), in an aggregate principal amount not to exceed Fifteen Million Seven Hundred Fifty Thousand Dollars (\$15,750,000), the principal of and interest on which are payable solely out of the Sinking Fund (as hereinafter defined). The Bonds shall be valid and binding special revenue obligations of the District payable solely from and secured by an irrevocable pledge of and constitute a first charge upon all of the Net Revenues (herein defined as gross revenues after deduction only for the payment of expenses for operation and maintenance, but not including depreciation or payments in lieu of taxes) derived from the District, 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 the District and the Sanitary District Pledged Revenues, and the Bonds shall not constitute an indebtedness of the City or the District within the meaning of the provisions and limitations of the constitution of the State of Indiana.

The Bonds shall be issued as fully registered bonds in denomination or denominations of Five Thousand Dollars (\$5,000) and any integral multiples thereof not exceeding the aggregate principal amount of the Bonds maturing on any date. The Bonds shall be numbered consecutively from 18R-1 upward and shall bear interest at a rate or rates not exceeding six percent (6.0%) per annum, the exact rate or rates to be determined by bidding. Said interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). All Bonds maturing on the same date shall bear the same rate of interest, and the interest rate on Bonds of a given maturity must be at least as great as the interest rate on Bonds of any earlier maturity or as otherwise set forth in the Issuer's Certificate (as herein defined). Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred and sixty (360)-day year and shall be payable semiannually on January 1 and July 1 in each year (each an "Interest Payment Date"), commencing on July 1, 2019, or such later date as may be specified in the Issuer's Certificate. The principal of the Bonds shall mature serially and semiannually on January 1 on July 1 of each year, over a period ending no later July 1, 2039, in such amounts as will produce as level annual debt service as practicable on the Bonds, and in the years and amounts, as deemed advisable by H. J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Municipal Advisor"), and all as set forth in a written certificate executed by the Clerk-Treasurer, acting for and on behalf of the District, prior to the sale of the Bonds (the "Issuer's Certificate").

The Bonds shall bear an original issue date which shall be the date of delivery of the Bonds (unless otherwise provided in the Issuer's Certificate), and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the fifteenth (15th) day of the calendar month immediately preceding the first Interest Payment Date shall pay interest from its original issue date. Any Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest thereon has been paid or duly provided for, unless such Bond is authenticated after the fifteenth day of the calendar month immediately preceding the Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

The Clerk-Treasurer, acting on behalf of the District, is hereby authorized to appoint a registrar and a paying agent for the Bonds (respectively, the "Registrar" and the "Paying Agent" and, in both such capacities, the "Registrar and Paying Agent"). The Registrar and Paying Agent shall be charged with and shall by appropriate agreement undertake the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the Bonds. The Clerk-Treasurer acting on behalf of the District is authorized and directed to enter into such agreements and understandings with the Registrar and Paying Agent and any subsequent Registrar and Paying Agent as will enable and facilitate the performance of its duties and responsibilities, and is authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, and such fees may be paid from the Sinking Fund continued by this Resolution.

If the Bonds are registered in the name of any purchaser that does not object to such designation, the Clerk-Treasurer may be designated as the Registrar and Paying Agent and shall be charged with the performance of all of the duties and responsibilities of Registrar and Paying Agent.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the Board 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 thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the Board. Any such notice to the Board may be served personally or sent by certified mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Board, in which event the Board may appoint a successor Registrar and Paying Agent. The Board shall notify each registered owner of Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to 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. Any predecessor Registrar and Paying Agent shall deliver all of the Bonds and cash in its possession with respect thereto, together with the registration books, to the successor Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to act on behalf of the Board with regard to any of the aforementioned actions of the Board relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent.

Principal of and any redemption premium on the Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the fifteenth (15th) day of the month immediately preceding the Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

Each Bond shall be transferable or exchangeable only on the books of the District maintained for such purpose at the designated corporate trust office of the Registrar, by the registered owner thereof in person, or by his or her 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 his or her 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. Each Bond may be transferred or exchanged without cost to the registered owner, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond for redemption. The District, the Registrar and the Paying Agent may treat and consider the person in whose name any Bond is registered as the absolute owner thereof for all purposes including the purpose of receiving payment of, or on account of, the principal thereof, and redemption premium, if any, and interest thereon.

In the event any Bond is mutilated, lost, stolen or destroyed, the District may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated

Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the District and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The District and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the District pursuant to this Resolution, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Resolution, equally and proportionately with any and all other Bonds duly issued hereunder.

In the event that any Bond is not presented for payment or redemption on the date established therefor, the District may deposit in trust with the Paying Agent an amount sufficient to pay such Bond or the redemption price thereof, as appropriate, and thereafter the owner of such Bond shall look only to the funds so deposited in trust with the Paying Agent for payment, and the District shall have no further obligation or liability with respect thereto.

Section 3. Book-Entry Form. The Bonds may initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the District from time to time (the "Clearing Agency"). The District and the Registrar and Paying Agent may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon the books kept by the Registrar and Paying Agent in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of The Depository Trust Company; (2) the Clearing Agency in whose name such Bond is so registered shall be, and the District and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest on such Bond, the receiving of notice, and the giving of consent; (3) neither the District nor the Registrar and Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal, premium, if any, or interest on any Bond, the receiving of notice, or the giving of consent; (4) the Clearing Agency is not required to present any Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption; and (5) payment of the principal of and

interest on the Bonds may be made by wire transfer or other method acceptable to the Clearing Agency.

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

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar and Paying Agent shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owners of the Bonds as of a record date selected by the Registrar and Paying Agent. For purposes of determining whether the consent, advice, direction or demand of a Registered Owner of the Bonds has been obtained, the Registrar and Paying Agent shall be entitled to treat the beneficial owners of the Bonds as the holders of the Bonds.

Section 4. Optional and Mandatory Sinking Fund Redemption of the Bonds.

The Clerk-Treasurer, based upon the advice of the Municipal Advisor, shall certify in the Issuer's Certificate the terms upon which the Bonds shall be subject to redemption at the option of the District, which redemption may be in whole or in part, upon thirty (30) days' written notice to the registered owner or owners of the Bonds to be redeemed, in amounts and maturities to be determined by the District and by lot within any such maturity or maturities, at par, plus in each case accrued interest to the date fixed for redemption, without premium.

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the Bonds called for redemption. The place of redemption may be at the designated corporate trust office of the Registrar and Paying Agent or as otherwise determined by the Board. Interest on the Bonds (or portions thereof) so called for redemption shall cease to accrue 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 redemption date and when such Bonds (or portions thereof)

are presented for payment. Any Bond redeemed in part may be exchanged for a Bond or Bonds of the same maturity in authorized denominations equal to the remaining principal amount thereof.

In addition to the foregoing notice, the Board may also direct that further notice of redemption of the Bonds be given, including without limitation and at the option of the Board, notice described in paragraph (a) below given by the Registrar and Paying Agent to the parties described in paragraphs (b) and (c) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the Board, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) If so directed by the Board, each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) If so directed by the Board, each such further notice shall be published one time in The Bond Buyer of New York, New York or, if the Registrar believes such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

Upon the payment of the redemption price of the Bonds (or portions thereof) being redeemed and if so directed by the Board, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds (or portions thereof) being redeemed with the proceeds of such check or other transfer.

As set forth in the certificate of the District concerning the award of the Bonds (the "Award Certificate"), all or a portion of the Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities on January 1 and/or July 1 in the years set forth in the Award Certificate.

In the event that the certain Bonds are aggregated into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but

without premium, on January 1 and/or July 1 in the years and in the principal amounts all as set forth in the Award Certificate.

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

The Registrar shall determine by lot (treating each \$5,000 principal amount of each Bond as a separate Bond for such purpose) the Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on January 1 and/or July 1 of each year.

Notice of any such mandatory sinking fund redemption shall be given in the manner provided in this Section 4 of this Resolution.

Section 5. Execution and Authentication of the Bonds. The Bonds shall be executed in the name of the City, for and on behalf of the District, by the manual or facsimile signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall cause the seal of the City or a facsimile thereof to be affixed to each of the Bonds. The Bonds shall be authenticated by the manual signature of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any Bond shall cease to be such official before the delivery of such Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Resolution regarding the registration of the Bonds, the Bonds shall be fully negotiable instruments under the laws of the State of Indiana (the "State").

Section 6. Security and Sources of Payment for the Bonds. The Bonds, when fully paid for and delivered to the purchaser or purchasers thereof, together with any bonds hereafter issued on parity therewith (to be referred to hereinafter collectively as the "Bonds," unless the context otherwise requires), as to both principal and interest, shall be valid and binding special, limited revenue obligations of the District, payable solely from and secured by an irrevocable pledge of and constituting a first charge upon all of the Net Revenues derived from the District and the Sanitary District Pledged Revenues 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 the District and the Sanitary District Pledged Revenues, and the Bonds shall not

constitute an indebtedness of the City or the District within the meaning of the provisions and limitations of the constitution of the State.

Section 7. Form of the 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:

**UNITED STATES OF AMERICA
STATE OF INDIANA, COUNTY OF LAKE**

**CITY OF HOBART, INDIANA,
STORM WATER MANAGEMENT DISTRICT REVENUE BOND, SERIES 2018**

No. 18R-_____

| Interest Rate | Maturity Date | Original Date | Authentication Date | CUSIP |
|---------------|---------------|---------------|---------------------|-------|
| % | 1, 20 | 1, 2018 | 1, 2018 | |

Registered Owner: _____

Principal Amount: _____ Dollars

The City of Hobart, Indiana (the "City"), acting for and on behalf of the City of Hobart, Indiana, Storm Water Management District (the "District"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special sinking fund hereinafter referred to, the Principal Amount specified above on the Maturity Date specified above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month immediately 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, unless this Bond is authenticated on or before December 15, 2018, in which case it shall bear interest from the Original Date, which interest is payable commencing on January 1, 2019, and semiannually on each January 1 and July 1 thereafter. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

The principal of this Bond is payable at the designated office of _____ (the "Registrar" or "Paying Agent"). Interest hereon will be paid by check or draft mailed or delivered to the Registered Owner hereof at the address as it appears on the registration books of the Registrar as of the fifteenth day of the month immediately preceding the applicable interest payment date or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. All payments on this Bond shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall

be legal tender for the payment of public and private debts. So long as the Bonds are held by The Depository Trust Company or its nominee, or any successor depository, principal of and premium, if any, and interest on the Bonds shall be paid by wire transfer on the due date thereof in same day funds.

This Bond and the other Bonds of this issue are payable solely from and secured by an irrevocable pledge of and constitute a first charge upon all of the Net Revenues (defined to be gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, but not including depreciation and payments in lieu of taxes) derived from the District, including the existing works and all additions and improvements thereto and replacements thereof subsequently constructed or acquired and the Sanitary District Pledged Revenues (as defined in the Ordinance). The District shall not be obligated to pay the principal of or the interest on this Bond except from the special fund entitled the "Sinking Fund" heretofore created by a resolution of the Board of the District, and neither this Bond nor any of the Bonds of the issue of which this Bond is a part shall constitute an indebtedness of the City or the District within the meaning of the provisions and limitations of the constitution of the State of Indiana.

This Bond is one of an authorized issue of Bonds of the District of like tenor and effect, except as to numbering and date of maturity, in a total amount not to exceed _____ Dollars (\$_____) numbered from 18R-1 upward, issued for the purpose of providing funds to pay the costs of certain improvements to the District's storm water management system, [to refund interim notes issued in anticipation of the Bonds (the "BANs")], and all expenses necessarily incurred in connection with the issuance of such Bonds [and BANs], as authorized by a resolution adopted by the Board on 22nd day of May, 2018, entitled "A RESOLUTION OF THE STORM WATER MANAGEMENT DEPARTMENT BOARD OF DIRECTORS OF THE CITY OF HOBART, GOVERNING BODY OF THE STORM WATER MANAGEMENT DISTRICT OF THE CITY OF HOBART, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS OF THE STORM WATER MANAGEMENT DISTRICT TO PROVIDE FUNDS TO BE APPLIED TO THE COSTS OF CERTAIN STORM WATER IMPROVEMENTS AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH STORM WATER MANAGEMENT DISTRICT AND OTHER RELATED MATTERS" (the "Resolution"), and in strict compliance with the provisions of Indiana Code 8-1.5-5 and the laws amendatory thereof and supplemental thereto (the "Act").

This Bond is issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds of this issue maturing on any date.

The District irrevocably pledges the entire Net Revenues of the District to the extent necessary for such purposes, to the prompt payment of the principal of and interest on the Bonds of this issue authorized pursuant to the Resolution, including this Bond and any Bonds hereafter issued on parity herewith and therewith. The District also irrevocably pledges the Sanitary District Revenues to the payment of principal of and interest on the Bonds of this issue authorized pursuant to the Resolution. The District covenants that it will take all necessary action to timely charge, bill and collect such rates and charges for services rendered by such

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 said Sinking Fund under the provisions of the Act and the Resolution. In the event the District, or the proper officers thereof, 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 principal of or interest on this Bond, the Registered Owner of this Bond shall have all of the rights and remedies provided for in the Act.

The District further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of Net Revenues of the District when coupled with the Sanitary District Pledged Revenues to meet (a) the interest on all bonds payable from the Net Revenues of the District, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the Net Revenues of the District, and (d) an additional amount as a margin of safety to create the reserve required by the Resolution.

The Bonds of this issue maturing on or after _____ 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part, on _____ 1, 20__, or any time thereafter, in the order of maturity selected by the District and by lot within any such maturity or maturities by the Registrar at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed, plus accrued interest to the date of redemption, without premium.

[Insert mandatory sinking fund redemption provisions.]

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

No payment shall be made by the Paying Agent upon any Bond or portion thereof called for redemption until such Bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by the Resolution with respect to any mutilated, lost, stolen or destroyed Bond.

If this Bond or a portion hereof shall have become due and payable in accordance with its terms or this Bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this Bond or a portion hereof for redemption shall be given and the whole amount of the principal so due and payable upon this Bond or such portion hereof shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and

the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case this Bond or such portion hereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the District.

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

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

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

with respect to this Bond, constitute a substitute contractual obligation of the District, whether or not this Bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Resolution, equally and proportionately with any and all other Bonds duly issued thereunder.

In the manner provided in the Resolution, the Resolution and the rights and obligations of the District and the owners of the Bonds of this issue authorized thereunder, including this Bond, may (with certain exceptions as stated in the Resolution) be modified or amended with the consent of the owners of at least seventy-five percent (75%) in aggregate principal amount of such Bonds exclusive of any such Bonds which may be owned by the District.

The Registered Owner of this Bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Resolution.

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

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

IN WITNESS WHEREOF, the Storm Water Management District of the City of Hobart, in Lake County, State of Indiana, has caused this Bond to be executed in the name of the City of Hobart, Indiana, acting for and on behalf of the Storm Water Management District, by the manual or facsimile signature of the Mayor of said City, and attested by the manual or facsimile signature of the Clerk-Treasurer of said City, who has caused the official corporate seal of said City or a facsimile thereof to be affixed, engraved, imprinted or otherwise reproduced hereon.

CITY OF HOBART, INDIANA

(SEAL)

By: _____
Mayor

ATTEST:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

_____, as Registrar

By: _____
Authorized Officer

ABBREVIATIONS

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

TEN. COM. as tenants in common

TEN. ENT. as tenants by the entireties

JT. TEN. as joint tenants with right of survivorship and not as tenants in common

UNIF. TRANS.
MIN. ACT _____ Custodian _____
(Cust.) (Minor)

under Uniform Transfers to Minors Act of

(State)

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or typewrite name and address of transferee)

(please insert social security or other identifying number of assignee)

\$ _____ in principal amount (must be a multiple of [\$5,000]) of the within Bond and all rights thereunder, and hereby irrevocably

constitutes and appoints _____,
attorney, to transfer the within Bond on the books kept for the registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

(END OF BOND FORM)

Section 8. Issuance, Sale and Delivery of the Bonds. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Clerk-Treasurer are each hereby authorized and directed to execute and attest the Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof after sale made in accordance with the provisions of the Act and this Resolution, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser or purchasers have agreed to pay therefor, which shall be not less than 98.0% of the par amount of the Bonds or such higher amount as may be set forth in the Issuer's Certificate, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application to the costs of the Project, including all authorized costs relating thereto and the costs of issuance of the Bonds. The authorized officers of the District are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Resolution.

The Bonds shall be sold at public sale in accordance with Indiana law. Prior to the sale of the Bonds, the Clerk-Treasurer, on behalf of the District, shall cause to be published a notice of intent to sell bonds two times at least one week apart in *The Times*, the *Post-Tribune* and the *Court & Commercial Record*. The notice must state that any person interested in submitting a bid for the Bonds may furnish in writing, at the address set forth in the notice, the person's name, address, and telephone number, and that any such person may also furnish a facsimile number. The notice must also state: (1) the amount of the Bonds to be offered; (2) the denominations; (3) the dates of maturity; (4) the maximum rate or rates of interest; (5) the place of sale; and (6) the time within which the name, address and telephone number must be furnished, which must not be less than seven (7) days after the last publication of the notice. The notice may also provide for the principal maturity schedule to be modified after bids are received as set forth in the Issuer's Certificate. Each person so registered shall be notified of the date and time bids will be

received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex if the person furnishes a telex number. Such notice may also include such other information as the Clerk-Treasurer shall deem necessary and the attorneys employed by the District shall deem necessary or advisable.

The City may also receive bids on the Bonds via electronic bidding. Such notice shall also provide, among other things, that each bid shall be accompanied by a good faith deposit (the "Deposit") in the form of cash, check certified, cashier's check or wire transfer in the amount of one percent (1%) of the principal amount of the Bonds that is made payable to the order of the District and is required to be submitted by the successful purchaser (the "Purchaser") not later than 3:00 p.m. (EDT) on the next business day following the award. If such Deposit is not received by that time, the District may reject the bid. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the District as liquidated damages.

All bids for Bonds shall be sealed and shall be presented to the Clerk-Treasurer on behalf of the District at the Clerk-Treasurer's office or at some other location determined by the Clerk-Treasurer prior to the publication of said notice of intent to sell bonds, and the Clerk-Treasurer shall continue to receive all bids offered until the hour fixed for the sale of the Bonds, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding six percent 6.0%) per annum or such lesser rate as may be set forth in the Issuer's Certificate. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate of interest or as otherwise set forth in the Issuer's Certificate. The interest rate on Bonds of a given maturity must be at least as great as the interest rate on Bonds of any earlier maturity or as otherwise set forth in the Issuer's Certificate.

Subject to the provisions set forth below, the Clerk-Treasurer shall award the Bonds to the bidder offering the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds from the date thereof to their maturities and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. No bid for less than ninety-nine percent (98.0%) of the par value of the Bonds (or such higher percentage of the par value of the Bonds as shall be set forth in the Issuer's Certificate), plus accrued interest at the rate or rates named to the date of delivery, will be considered. The Clerk-Treasurer shall have full right to reject any and all bids for and on behalf of the District. In the event no acceptable bid is received at the time fixed for the sale of the Bonds, the Clerk-Treasurer shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed thirty (30) days, without readvertising, pursuant to Indiana law.

If required by the Rule (as hereinafter defined), the Bonds shall be offered and sold pursuant to an Official Statement with respect to the Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States

Securities and Exchange Commission (the "Rule"). The Clerk-Treasurer is hereby authorized to approve the form of the Preliminary Official Statement for and on behalf of the District upon the advice of counsel. The Clerk-Treasurer is hereby further authorized for and on behalf of the District to deem "final" the Preliminary Official Statement, as of its date, in accordance with the provisions of the Rule, subject to completion as permitted by the Rule. The Clerk-Treasurer is hereby authorized and directed for and on behalf of the District, upon the advice of the counsel, to place into final form and distribute and cause to be delivered the final Official Statement in accordance with the Rule, and the Clerk-Treasurer is further authorized to execute the final Official Statement for and on behalf of the District. The District covenants and agrees that it will, and will cause the City to, comply with and carry out the continuing disclosure requirements of Section (b)(5) of the Rule. If required by the Rule, the Mayor and the Clerk-Treasurer are hereby authorized to approve a continuing disclosure agreement for the Bonds and to execute the same on the date the Bonds are issued if so requested by the purchaser of the Bonds.

Prior to the delivery of the Bonds, the Clerk-Treasurer, for and on behalf of the District, shall (i) be authorized to investigate, negotiate and obtain bond insurance, other forms of credit enhancement and/or credit ratings on Bonds and (ii) obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, South Bend, Indiana, bond counsel for the District, with such opinion to be furnished to the purchaser of the Bonds at the expense of the District. The costs of obtaining any such insurance, other credit enhancement and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the cost of the Project and shall be paid out of the proceeds of the Bonds.

Section 9. Disposition of Proceeds of the Bonds; Hobart Storm Water District 2018 Construction Account. Any accrued interest received at the time of the delivery of the Bonds shall be deposited in the Sinking Fund (unless otherwise determined by the Clerk-Treasurer prior to the sale of the Bonds). The remaining proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally qualified depositories for the funds of the District as follows: (i) an amount may be deposited into the Reserve Account (defined herein) to satisfy all or a portion of the Reserve Requirement (defined herein) and (ii) the remaining amount of proceeds are to be deposited in the special account to be designated as the "Hobart Storm Water Management District 2018 Construction Account" (the "Construction Account"). Amounts in the Construction Account shall be expended only for the purpose of paying the costs of the Project, as described in this Resolution and in the Act, together with all authorized costs relating thereto, including the costs of issuance of the Bonds, and as otherwise permitted or required by the Act. Any balance or balances remaining unexpended in the Construction Account after completion of the Project which are not required to meet unpaid obligations incurred in connection with the acquisition, construction or installation of the Project, shall be used solely for one or more of the purposes permitted under the provisions of Indiana Code 5-1-13, as amended. The owners of the Bonds shall be entitled to a lien on the proceeds of the Bonds until such proceeds are applied as required by this Resolution and by Indiana law.

Each of the funds and accounts of the District shall be deposited, held, secured or invested in accordance with the laws of the State relating to the depositing, holding, securing or investing of public funds, including, particularly, applicable provisions of Indiana Code 5-13-9,

as amended. Any interest or income derived from any such investments shall become a part of the moneys in the fund or account so invested.

Section 10. Collection of Revenues; Fund Operation, Repair and Maintenance. There shall be set apart and paid out of the gross revenues of the District into a cash operating fund, hereby created and established to be known as the "Operation and Maintenance Account" (the "Operation and Maintenance Account"), an amount necessary and sufficient to pay the monthly costs of operation and maintenance of the System. The moneys credited to the Operation and Maintenance Account shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the System on a day-to-day basis, but none of the moneys in the Operation and Maintenance Account shall be used for transfers for payment in lieu of property taxes, depreciation, improvements, extensions or additions. Any balance in the Operation and Maintenance Account in excess of the expected expenses of operation, repair and maintenance for the next succeeding two (2) calendar months may be transferred to the Bond and Interest Account if necessary to prevent a default in payment on any then outstanding obligations payable from the Net Revenues.

Section 11. Sinking Fund for Bonds. There is hereby established a Sinking Fund (the "Sinking Fund") which fund is hereby designated and constituted as the special fund for the payment of the interest on and principal of revenue bonds which by their terms are payable from the Net Revenues of the District. The Sinking Fund shall be divided into two (2) subaccounts, to be known as the "Bond and Interest Account" (the "Bond and Interest Account") and the "Reserve Account" (the "Reserve Account").

There shall be set aside from the gross revenues of the District, after first making the required payments into the Operation and Maintenance Account, and paid into the Bond and Interest Account of the Sinking Fund monthly, as available, a sufficient amount of the Net Revenues of the District along with any Sanitary District Pledged Revenues received by the District for the payment of (a) the interest on all bonds which by their terms are payable from the Net Revenues of the District, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, and (c) the principal of all bonds payable from the Net Revenues of the District, as such principal shall fall due. The monthly payments into said Bond and Interest Account shall be in an amount equal to at least one-sixth (1/6th) of the amount required for interest during the next succeeding six (6) calendar months and an amount equal to one-sixth (1/6th) of the amount required for payments during the next succeeding six (6) calendar months for the hereinabove described purposes other than interest payments.

There shall be held in said Reserve Account an amount which equals the following with respect to the Bonds, and any additional bonds subsequently issued on parity therewith (the "Reserve Requirement"): the least of (i) 10% of the proceeds thereof, (ii) the maximum annual principal and interest requirements thereon, or (iii) 125% of the average annual principal and interest requirements thereon. The Reserve Account may be funded entirely or in part on the date of issuance of the Bonds from available Net Revenues or the proceeds of said Bonds or from Net Revenues of the District over a sixty (60) month period. Alternatively, the Reserve Requirement with respect to the Bonds shall be deemed to be satisfied if there is on deposit in the Reserve Account any surety bond, insurance policy, guaranty, letter of credit or other credit facility in any amount equal to such portion, the issuer of which credit facility is rated at least "AA" by

Standard & Poor's Ratings Group or "A2" by Moody's Investor Service. The Reserve Requirement is hereby determined to be reasonable. All money in the Reserve Account shall be used and withdrawn by the District solely for the purpose of making payment on the Bonds, and any additional bonds subsequently issued on parity therewith to the extent that available moneys in the Bond and Interest Account are insufficient for such purpose, or to make the final payments on such bonds when money in the Reserve Account, together with other money held in the Sinking Fund, is sufficient to make all remaining payments to final maturity, provided, notwithstanding the foregoing, that amounts in the Reserve Account in excess of the Reserve Requirement shall be transferred from time to time to the Bond and Interest Account and thereupon applied to the required payments into the Bond and Interest Account as provided in the preceding paragraph. In the event moneys held in the Reserve Account are used to pay principal of and interest on the Bonds, or any additional bonds subsequently issued on parity therewith, then such depletion of the Reserve Account to an amount less than the Reserve Requirement shall be made up from available Net Revenues within twelve (12) months from substantially equal monthly deposits, after required deposits to the Bond and Interest Account, to restore the balance of the Reserve Account to an amount equal to the Reserve Requirement.

Section 12. Funding Improvements. Any excess revenues of the District available after making the deposits required by Sections 10 and 11 may be set aside and paid into the special fund, which is hereby continued, and known as the "Improvement Fund" (the "Improvement Fund"), and be used to pay the cost of additions, improvements and extensions to the property of the System. No revenues of the District shall be deposited in or credited to the Improvement Fund which will interfere with the requirements of the Sinking Fund.

In the event of any deficiency at any time in the Operation and Maintenance Account or the Sinking Fund, funds may be withdrawn from the Improvement Fund for deposit into said Operation and Maintenance Account or Sinking Fund in the amount of such deficiency.

Section 13. Separation of Funds; Investment of Moneys Therein. The Sinking Fund shall be deposited in and maintained as a separate bank account or accounts from all other bank accounts of the District. The Operation and Maintenance Account and the Improvement Fund may be maintained in a single bank account or accounts, but such bank account or accounts shall likewise be maintained separate and apart from all other bank accounts of the District and apart from the Sinking Fund bank account or accounts. Each of the funds and accounts of the District shall be deposited, held, secured or invested in accordance with the laws of the State relating to the depositing, holding, securing or investing of public funds, including, particularly, applicable provisions of Indiana Code 5-13-9, as amended. Any interest or income derived from any such investments shall become a part of the moneys in the fund or account so invested, provided, however, that income derived from investment of moneys in the Reserve Account of the Sinking Fund shall be deposited to the Improvement Fund.

Section 14. Books of Record and Accounts. The District shall keep proper books of record 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 its property and deposited in said accounts, and all disbursements made therefrom on account of the operation of the its property, and to meet the requirements of the Sinking Fund, and all other financial transactions relating to the property of the District. There shall be prepared and furnished, upon written request, to any

owner of the Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the District, covering the preceding fiscal year. Copies of all such statements and reports shall be kept on file in the District's offices. Any owner or owners of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the District relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. Rates and Charges. The District covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the services rendered by the District at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income, or revenues available to the District) to provide for the proper operation and maintenance of the property of the District, 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 or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation and maintenance of the property of the District and the requirements of the Sinking Fund.

Section 16. Defeasance. If, when 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 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 then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and 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 shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the District.

Section 17. Additional Bonds. The District reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of the District, ranking on parity with the bonds authorized by this Resolution, for the purpose of financing the cost of future additions, extensions and improvements to the property of the District, subject to the following conditions:

- (a) All required payments into the Sinking Fund and the subaccounts thereof 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 District shall have been paid to date in accordance with the terms thereof.
- (b) The Net Revenues of the District in the fiscal year immediately preceding the issuance of any such bonds ranking on parity with the bonds authorized by this Resolution shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and

the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the rates and charges shall be increased or the area of the District shall be expanded sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the District shall be analyzed and all showings shall be prepared by a certified public accountant or independent financial advisor employed by the District for that purpose.

(c) The principal of said additional parity bonds shall be payable semiannually on January 1 and July 1 and the interest on said additional parity bonds shall be payable semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

Section 18. Additional Covenants of the District. For the purpose of further safeguarding the interests of the owners of the Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let by the District in connection with the construction of said additions and improvements to the property of the District shall be let after due advertisement as required by the laws of the State, 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 ensure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State in the case of public contracts, and shall be governed in all respects by the laws of the State relating to public contracts.

(b) Said additions and improvements shall be constructed under the supervision and subject to the approval of a competent engineer as shall be designated by the Board.

(c) The District shall at all times maintain its property in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds herein authorized are outstanding, the District shall maintain insurance coverage, including fidelity bonds, to protect its property and its operations on the insurable parts of said property of a kind and in an amount such as would normally be carried by private companies 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. Insurance proceeds and condemnation awards shall be used to replace or repair the property, or, if not used for that purpose, shall be treated and applied as Net Revenues of the District.

(e) So long as any of the Bonds are outstanding, the District shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replace equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the District 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 16 hereof coincidentally with the delivery of such additional bonds or other obligations.

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

(h) The provisions of this Resolution shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such respective proceeds until the same are applied in accordance with the provisions of this Resolution and of the Act. The provisions of this Resolution shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this Resolution set forth. The owner of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act in the event of default in the payment or 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 Act. The District reserves the right, however, to amend this Resolution from time to time to preserve the Tax Exemption described in Section 21 hereof without the approval of any owner of the bonds so long as the Board certifies that such amendment does not violate this subsection (h) of Section 18.

Section 19. Permitted Actions Relating to Preservation of Exclusion of Interest from Federal Gross Income.

(a) The Board is hereby authorized to invest moneys pursuant to the provisions of this Resolution at a restricted yield (subject to applicable requirements of federal law to ensure that any such investment is acquired for fair market value) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds, or the tax exempt status of interest on the Bonds, under federal law.

(b) The Board shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Resolution, the Board is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Board as to the requirements of federal law to preserve the tax exclusion or exemption.

Section 20. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the District represents, covenants and agrees that:

(a) No person or entity, other than the District or another state or local governmental unit, will use proceeds of the Bonds or property financed by the Bond 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 the Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large, other than as may be permitted by Revenue Procedure 2016-44, as amended.

(b) No Bond proceeds will be loaned to any entity or person. No Bond 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 proceeds.

(c) The District will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause or permit to fail to be taken by it or by any party under its control, any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the District act in any other manner which would adversely affect such exclusion. The District further covenants that it will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the Bonds.

(d) The District will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond proceeds or other moneys treated as Bond proceeds to the federal government and will set aside such moneys in a Rebate Account to be held by the Board in trust for such purpose.

Section 21. Compliance with Tax Sections. Notwithstanding any other provisions of this Resolution, the covenants and authorizations contained in this Resolution ("Tax Sections") which are designed to preserve the tax exempt status of interest on the Bonds or the exclusion of interest on the 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 Section is unnecessary to preserve the Tax Exemption.

Section 22. Supplemental Resolutions. Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than seventy-five percent (75%) 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 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 Net Revenues of the District 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.

The owners of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental resolution shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Secretary of the Board. No owner of any Bond 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 Board 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 22, 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 Board and the consent of the owners of all the Bonds issued pursuant to this Resolution then outstanding.

Section 23. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

Section 24. Payments on Holidays. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Resolution, shall be a legal holiday or a day on which banking institutions in the City or the city in which the Registrar and Paying Agent is located are typically closed, such payment may be made or act performed or

right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Resolution, and no interest shall accrue for the period after such nominal date.

Section 25. BANs. In anticipation of the issuance and sale of the Bonds authorized herein, and to provide interim financing to apply to the cost of the Project, the District is hereby authorized to have prepared and to issue and sell negotiable bond anticipation notes of the District, in an aggregate principal amount not to exceed Fifteen Million Seven Hundred Fifty Thousand Dollars (\$15,750,000) to be designated "City of Hobart, Indiana, Storm Water Management District Revenue Bond Anticipation Notes, Series 2018" (the "BANs"). The BANs shall be issued in fully registered form, shall be numbered consecutively from 18R-1 upwards, shall be issued in denominations of Five Thousand Dollars (\$5,000) or One Hundred Thousand Dollars (\$100,000) or integral multiples of each thereof as set forth in the Issuer's Certificate, shall be dated as of the date of issuance of the BANs, shall bear interest at a rate not exceeding six percent (6.0%) per annum (the exact rate of interest to be determined by negotiation), payable on Interest Payment Dates as provided in the Issuer's Certificate until the final maturity thereof, and such interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred and sixty (360)-day year. The BANs may be sold at a discount not exceeding one percent (1.00%) of the par amount thereof or such lesser amount of discount as set forth in the Issuer's Certificate. The term of the BANs (and all renewal BANs, if any) may not, in the aggregate, exceed three (3) years from the date of delivery of the initial BANs. The BANs may be subject to optional redemption on any date following 180 days after their issuance upon seven (7) days written notice to the registered owner thereof at a price of par plus accrued interest to the date fixed for redemption and without premium.

The BANs shall be issued pursuant to the provisions of Indiana Code 5-1-14-5 and the principal thereof shall be refunded and retired out of the proceeds from the issuance and sale hereunder of the Bonds. The District may also use other revenues or funds of the District legally available therefor, if any, including amounts available to the District out of federal or state funds available for application to the Project, for payment of the principal of the BANs; provided, however, that no funds other than proceeds from the issuance and sale of the Bonds, if and when issued, are pledged to the payment of principal of and interest on the BANs. The interest on the BANs shall be payable either from the Net Revenues of the System, or from proceeds from the issuance and sale hereunder of the Bonds.

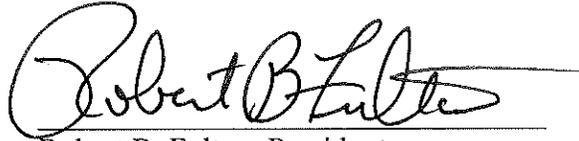
The District, after having satisfied all the statutory requirements for the issuance of the Bonds, may elect to issue its BAN or BANs, pursuant to a Bond Anticipation Note Purchase Agreement (the "BAN Purchase Agreement"), to be entered into between the District and the purchaser of the BANs. The Board hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim construction 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 BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BANs. The President of the Board is hereby authorized and directed to execute a BAN Purchase Agreement in such form or substance as the President shall approve acting upon the advice of counsel and the Municipal Advisor. The President of the Board may also take such other actions or deliver such other certificates as are necessary or desirable in

connection with the issuance of the BANs and the other documents needed for the financing as the President of the Board deems necessary or desirable in connection therewith.

Section 26. Captions. The captions in this Resolution are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Resolution.

Section 27. Effectiveness. This Resolution shall be in full force and effect from and after its passage.

ALL OF WHICH is adopted as the Resolution of the City of Hobart Storm Water Management Board of Directors on this 22nd day of May 2018.



Robert B. Fulton, President

ATTEST:



Phillip E. Gralik, P.E. Secretary