22R-15

Sponsor: Scott Rakos,
6th District Councilman

RESOLUTION NO. R15

A RESOLUTION OF THE CITY OF HAMMOND, INDIANA APPROVING THE ISSUANCE OF REVENUE BONDS OF THE WATERWORKS DISTRICT OF THE CITY

WHEREAS, the City of Hammond, Indiana (the "City"), acting pursuant to Indiana Code 8-1.5-4, as amended (the "Act"), has created and established the Waterworks District of the City (the "Waterworks District"), governed by the Board of Directors of the Hammond Water Works Department (the "Board"); and

WHEREAS, on September 29, 2022, the City's Water District Board adopted its Resolution No. 2022-12 (the "Bond Resolution" Exhibit A) authorizing the issuance of revenue bonds of the Waterworks District designated as the "City of Hammond, Indiana Waterworks District Revenue Bonds, Series 202_ _", to be completed with the year in which issued and appropriate series designation (the "Bonds"), in an aggregate principal amount not to exceed $18,000,000 for the purpose of providing for the payment of all or any portion of (i) the costs of additions and improvements to the waterworks of the City, as more particularly described in the Bond Resolution, (ii) funding a debt service reserve, if necessary, and (iii) the cost of selling and issuing the Bonds, including a premium for municipal bond insurance, if any (collectively, the "Financing"); and

WHEREAS, as more particularly described in the Bond Resolution, the Bonds will be payable from and secured by the "Net Revenues" of the City's waterworks (as defined in the Bond Resolution); and

WHEREAS, the Bonds are expected to be purchased by The Hammond Local Public Improvement Bond Bank (the "Bond Bank") with the proceeds of the Bond Bank's Bonds, Series 2022 (the "Bond Bank Bonds"), which Bond Bank Bonds are primarily payable from principal and interest payments made by the Waterworks District to the Bond Bank related to the Bonds; and

WHEREAS, the Council now finds that the issuance of the Bonds for the purpose of accomplishing the Financing should be approved;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF HAMMOND, INDIANA THAT:

SECTION 1. The foregoing recitals are hereby incorporated by reference.

SECTION 2. The Council approves the issuance of the Bonds pursuant to the provisions of the Bond Resolution.

A RESOLUTION OF THE CITY OF HAMMOND, INDIANA APPROVING THE ISSUANCE OF REVENUE BONDS OF THE WATERWORKS DISTRICT OF THE CITY

SECTION 3. The Bonds shall (i) be issued for the public purpose of accomplishing the Financing, as hereinbefore described, and the proceeds of the Bonds shall be used for such public purpose; (ii) be issued in an original aggregate principal amount not to exceed $18,000,000; (iii) mature over a period ending no later than January 1, 2043; (iv) bear interest at a rate or rates not exceeding 6% per annum (the exact rate or rates to be determined by bidding or negotiation); (v) be subject to optional redemption; and (vi) be subject to mandatory sinking fund redemption if all or any portion of the Bonds are issued as term bonds. The specific terms and provisions of the Bonds shall be as set forth in the Bond Resolution.

SECTION 4. The Council will not approve any annual appropriations while the Bond Bank Bonds are outstanding either (i) for the payment of principal of or interest on the Bonds in the event the Net Revenues of the waterworks are insufficient for such purpose or (ii) to replenish any deficiencies in any reserves for the Bonds or the Bond Bank Bonds. The Council finds that the credit strength of the waterworks is sufficient to not require such annual appropriation support from the Council.

SECTION 5. The Mayor, the Controller and the Clerk of the City and the members of the Common Council are, and each of them is, hereby authorized and directed to take all such further action or execute or attest such agreements, documents, instruments and certificates as are necessary or appropriate to effectuate this resolution.

SECTION 6. This resolution shall be in full force and effect from and after its passage by the Council.

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A RESOLUTION OF THE CITY OF HAMMOND, INDIANA APPROVING THE ISSUANCE OF REVENUE BONDS OF THE WATERWORKS DISTRICT OF THE CITY

ADOPTED AND APPROVED by the Common Council of the City of Hammond, Indiana on this 10th day of October, 2022.

Dave Woerpel, President
Hammond Common Council

ATTEST:

Robert J. Golec, Clerk

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond, Indiana, to the Mayor, for approval and signature, three pages, this 12th day of October, 2022.

Robert J. Golec, City Clerk
City of Hammond, Indiana

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Hammond, Indiana, this 12th day of October, 2022.

Thomas M. McDermott, Jr. Mayor
City of Hammond, Indiana

PASSED by the Common Council on the 11th day of October, 2022, and Approved by the Mayor on the 12th day of October, 2022.

Robert J. Golec, City Clerk
City of Hammond, Indiana

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EXHIBIT A

Bond Resolution

RESOLUTION NO. 2022-12

A Bond Resolution of the Board of Directors of the Hammond Water Works Department concerning the acquisition, construction and installation of additions and improvements to the waterworks system of the City of Hammond, Indiana, the issuance of revenue bonds of the Waterworks District of said City to provide the cost thereof, the collection, segregation and distribution of the revenues of said waterworks system, the safeguarding of the interests of the owners of said bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing resolutions inconsistent herewith

WHEREAS, the City of Hammond, Indiana (the "City") has heretofore constructed and now owns and operates a municipal waterworks utility system by and through the Board of Directors (the "Board") of the Hammond Water Works Department (the "Department") of the City, the governing body of the Waterworks District of the City (the "Waterworks District"), pursuant to Indiana Code 8-1.5-4, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the "Act") (all references hereinafter to the Indiana Code are designated as "IC" followed by the applicable code section or sections); and

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

WHEREAS, on September 29, 2022, the Board, being the governing body of the Waterworks District, adopted a Declaratory Resolution declaring that it is necessary for the public health and welfare and will be of public utility and benefit to construct the Project; and

WHEREAS, prior to the issuance of any bonds or BANs (as hereinafter defined) herein authorized, the Board, after notice and public hearing thereon, will confirm the Declaratory Resolution by the adoption of a Confirmatory Resolution in accordance with the Act; and

WHEREAS, the Department will advertise and receive bids for the construction of the Project, which bids will be subject to the Waterworks District's determination to construct the Project and obtaining funds to pay for the Project; and

WHEREAS, on the basis of the estimates of the engineers for the Waterworks District, the cost of the Project, including estimated incidental expenses, is in the estimated amount of Eighteen Million Dollars ($18,000,000); and

WHEREAS, the Board finds that the Waterworks District has no funds on hand available to apply on the costs of the Project and that it is necessary to finance the entire costs of the Project by the issuance of revenue bonds of the Waterworks District, in one or more series, in an aggregate principal amount not to exceed Eighteen Million Dollars ($18,000,000) and, if necessary, bond anticipation notes (the "BANs"); and

WHEREAS, the Board finds that there are outstanding bonds payable out of the Net Revenues (as hereinafter defined) of the waterworks designated as the City of Hammond, Indiana, Waterworks District Revenue Bonds of 2018 (the "2018 Bonds") now outstanding in the aggregate principal amount of Five Million Nine Hundred Thirty Thousand Dollars ($5,930,000) and maturing semiannually on January 1 and July 1 of each year over a period ending January 1, 2033; and

WHEREAS, the resolution authorizing the issuance of the 2018 Bonds permits the issuance of additional bonds ranking on a parity with the 2018 Bonds provided certain conditions can be met, and the Board finds that the finances of the waterworks of the City will enable the Waterworks District to meet the conditions for the issuance of additional parity bonds and that, accordingly, the revenue bonds authorized herein shall rank on a parity with the 2018 Bonds; and

WHEREAS, the Board finds that the revenue bonds to be issued pursuant to this resolution will be payable from and secured by a first charge against the Net Revenues, on a parity with the 2018 Bonds; and

WHEREAS, the revenue bonds to be issued pursuant to this resolution are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this resolution; and

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

WHEREAS, the Board further desires to authorize the sale of such revenue bonds to The Hammond Local Public Improvement Bond Bank (the "Bond Bank") pursuant to the provisions of the Act and IC 5-1.4, as amended, subject to and dependent upon the terms and conditions hereinafter set forth: and

WHEREAS, the Board has been advised that it may be cost efficient to purchase municipal bond insurance for the revenue bonds authorized herein; and

WHEREAS, the waterworks has been removed from the jurisdiction of the Indiana Utility Regulatory Commission for the approval of rates and charges and financings; and

WHEREAS, the Board now finds that all conditions precedent to the adoption of a resolution authorizing the issuance of said revenue 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 HAMMOND WATER WORKS DEPARTMENT THAT:

Section 1. Authorization of Project; Certain Defined Terms.

(a) The Waterworks District will proceed with the construction of the Project as set out in Exhibit A hereto and in the Declaratory Resolution, to be confirmed by the Confirmatory Resolution, in accordance with the general plans, specifications, descriptions and estimates heretofore prepared and filed by AECOM, the consulting engineers employed by the Waterworks District, which general plans, specifications, descriptions and estimates are now on file or will be subsequently placed on file in the office of the Board and be open for public inspection, and are hereby adopted and approved, and by reference made a part of this resolution as fully as if the same were attached hereto and incorporated herein. The estimated cost of construction of the Project is expected to not exceed Eighteen Million Dollars ($18,000,000), plus investment earnings on the BAN and bond proceeds.

(b) The terms "waterworks," "waterworks system," "works," "system," and words of like import where used in this resolution shall be construed to mean the existing structures and property of the waterworks for the provision of the public water supply, and all enlargements, improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired, whether from proceeds of the revenue bonds and BANs authorized herein or otherwise. The Project shall be constructed in accordance with the general plans, specifications, descriptions and estimates 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.

Section 2. Issuance of BANs.

(a) The Waterworks District hereby authorizes the Controller of the City (the "Controller") to prepare and issue, if necessary, the BANs, in one or more series, for the purpose of procuring interim financing to apply on the cost of (i) the Project and (ii) costs incurred in the issuance of the BANs. The BANs may be issued in an aggregate principal amount not to exceed Eighteen Million Dollars ($18,000,000) to be designated "City of Hammond, Indiana, Waterworks District Bond Anticipation Notes, Series 202__", to be completed with the year in which issued and appropriate series designation, if any. The BANs shall be sold at not less than 99% of their par value, shall be numbered consecutively from 1 upward, shall be in any multiple of Five Thousand Dollars ($5,000) or One Dollar ($1), as designated in the hereinafter defined BAN Purchase Agreement, shall be dated as of their date of delivery, and shall bear interest at a rate not to exceed 6.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon redemption or maturity.

(b) Each series of BANs will mature no later than two (2) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 6.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of

the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Payment on the BANs may be made in installments.

(c) The BANs shall be issued pursuant to IC 5-1-14-5. The Waterworks District shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of the revenue bonds pursuant to and in the manner prescribed by the Act.

Section 3. Issuance of Bonds.

(a) The Waterworks District shall issue its revenue bonds, in one or more series, in the aggregate principal amount not to exceed Eighteen Million Dollars ($18,000,000), to be designated "City of Hammond, Indiana, Waterworks District Revenue Bonds, Series 202_ _", to be completed with the year in which issued and appropriate series designation, if any (the "Bonds"), for the purpose of procuring funds to apply on the cost of (i) the Project, (ii) repaying the BANs, if issued, (iii) funding a debt service reserve, and (iv) issuance costs, including a premium for municipal bond insurance, if any. The Bonds shall be issued and sold at a price not less than 98.5% of the par value thereof, in fully registered form and in denominations of (i) Five Thousand Dollars ($5,000) each or integral multiples thereof or, (ii) if the Bonds are sold to the Bond Bank, such other denominations as the Bond Bank may direct and as are authorized by law. The Bonds shall be numbered consecutively from 1 up, originally dated as of the date of delivery, and shall bear interest at a rate or rates not exceeding 6% per annum (the exact rate or rates to be determined by negotiation or bidding). Interest on the Bonds shall be payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or the first July 1 after the date of issuance of the Bonds, as determined by the Controller of the City (the "Controller") with the advice of the Waterworks District's municipal advisor. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature semiannually on January 1 and July 1, or be subject to mandatory sinking fund redemption, over a period ending no later than January 1, 2043. The Bonds shall mature in such amounts that produce (i) as level annual debt service as practicable with the Bond denominations or (ii) as level annual debt service as practicable with the Bond denominations and taking into account the debt service on the 2018 Bonds.

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

(c) The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the waterworks of the City after deduction only for the payment of the reasonable expenses of operation, repair and maintenance), on a parity with the payment of the 2018 Bonds. Net Revenues does not include revenues received by

the City under the terms of (i) certain wholesale water purchase agreements between the City and each of the City of Chicago Heights, Illinois, the City of Lansing, Illinois, the Village of South Holland, Illinois, the Village of Ford Heights, Illinois and the Village of Lynwood, Illinois and (ii) the agreement for the sale of water between the City and the Department (the foregoing (i) and (ii), collectively, the "Water Purchase Contract"); provided, however, that Net Revenues does include certain revenues specifically retained by the Department and not distributed to the City under the Water Purchase Contract.

(d) Any sale and issuance of a series of Bonds which follows the first series of Bonds issued hereunder shall be subject to the requirements of Section 24 of this resolution.

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

Section 4. Registrar and Paying Agent.

(a) The Controller is authorized, on behalf of the Waterworks District, to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the "Registrar" or "Paying Agent"). The Controller is hereby authorized, on behalf of the Board, to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Controller is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Waterworks Sinking Fund established to pay the principal of and interest on the Bonds and fiscal agency charges.

(b) As to the BANs and as to the Bonds, if sold to a purchaser that does not object to such designation, including the Bond Bank, the Controller may serve as Registrar and Paying Agent and, in that case, is hereby charged with the duties of a Registrar and Paying Agent.

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

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

(e) Each Bond shall be transferable or exchangeable only upon the books of the Waterworks 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 Waterworks District. The Department, the Waterworks 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.

(f) The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the Waterworks 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 City. Any such notice to the Waterworks 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 Waterworks District, in which event the Waterworks District may appoint a successor registrar and paying agent. The Waterworks 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.

(g) Upon the appointment of any successor registrar and paying agent by the Waterworks District, the Controller is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Controller is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Waterworks Sinking Fund continued in Section 17 hereof. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

(h) Interest on Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

Section 5. Book-Entry Provisions.

(a) The Board may, upon the advice of the Waterworks District's municipal advisor, 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.

(b) With respect to the Bonds registered in the register kept by the Registrar in the name of Cede & Co., as nominee of the Depository Trust Company, the Department, the Waterworks 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.

(c) No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Board to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this resolution. The Department, the Waterworks 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 Department's, the Waterworks 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 Board of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to consents, the words "Cede & Co." in this resolution shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds

shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Waterworks District to the Depository Trust Company.

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

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

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

(g) In connection with any notice or other communication to be provided to bondholders by the Board or the Registrar with respect to any consent or other action to be taken by bondholders, the Department, the Waterworks 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.

(h) So long as the Bonds are registered in the name of the Depository Trust Company or Cede & Co. or any substitute nominee, the Department, the Waterworks 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 Department, the Waterworks 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.

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

Section 6. Redemption of BANs.

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

Section 7. Redemption of Bonds.

(a) The Bonds are redeemable at the option of the Waterworks District, but no sooner than such date as shall be determined by the Controller, with the advice of the municipal advisor to the Waterworks District, prior to the sale of the Bonds, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Waterworks District, and by lot within a maturity, at face value with no premium plus accrued interest to the date fixed for redemption. The exact redemption dates shall be established by the Controller, with the advice of the Waterworks District's municipal advisor, prior to the sale of the Bonds.

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

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

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

(d) Notice of redemption shall be given not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the Waterworks District as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Waterworks District. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

Section 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds.

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

(b) The Bonds, as and to the extent paid for and delivered to the purchasers thereof, which may include the Bond Bank, together with any bonds hereafter issued on a parity therewith, as to both principal and interest, shall be valid and binding special revenue obligations of the Waterworks District, payable solely from and secured by an irrevocable pledge of and constituting a first charge upon the Net Revenues of the waterworks, on a parity with the 2018 Bonds. The Waterworks District shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the waterworks, and the Bonds shall not constitute an indebtedness of the City or the Waterworks District within the meaning of the provisions and limitations of the constitution of the State of Indiana.

(c) The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions of registration herein.

Section 9. Form of Bonds.

The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

> [Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City of Hammond, Indiana, or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other

name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

NO. __

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF LAKE

CITY OF HAMMOND, INDIANA
WATERWORKS DISTRICT REVENUE BOND, SERIES 202__ __

Interest Rate	[Maturity Date]	Original Date	Authentication Date	[CUSIP]

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Hammond (the "City"), in Lake County, State of Indiana, for and on behalf of the Hammond Water Works Department, governing body of the Waterworks District of the City (the "Waterworks District"), for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, from the source and in the manner herein provided, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, 202_, in which case it shall bear interest from the Original Date, which interest is payable semiannually on the first days of January and July of each year, beginning on _____ 1, 202_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of this Bond is payable at the principal office of _____ __ (the "Registrar" or the "Paying Agent"), in the _____ of _____, Indiana. All payments of principal of and interest on this Bond shall be paid by check mailed one business day prior to the interest payment date to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered

owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

[Notwithstanding the foregoing paragraph, so long as this Bond is registered in the name of The Hammond Local Public Improvement Bond Bank (the "Bond Bank"), principal of and interest on this Bond shall be paid by wire transfer to a financial institution designated by the Bond Bank on the due date of such payment. So long as the Bond Bank is the registered owner of this Bond, this Bond shall be presented for payment as directed by the Bond Bank.]

This Bond and all other Bonds of this issue, together with the interest payable herein and thereon, are payable solely from and secured by an irrevocable pledge of and constitute a first charge upon all the Net Revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the City, including the existing works, the improvements and extensions acquired or constructed out of the proceeds of this Bond and the issue of which it is a part, and all additions and improvements thereto subsequently acquired or constructed. Net Revenues does not include revenues received by the City under the terms of (i) certain wholesale water purchase agreements between the City and each of the City of Chicago Heights, Illinois, the City of Lansing, Illinois, the Village of South Holland, Illinois, the Village of Ford Heights, Illinois and the Village of Lynwood, Illinois and (ii) the agreement for the sale of water between the City and the Department (the foregoing (i) and (ii), collectively, the "Water Purchase Contract"); provided, however, that Net Revenues does include certain revenues specifically retained by the Department and not distributed to the City under the Water Purchase Contract.

The Waterworks District shall not be obligated to pay the principal of or interest on this Bond except from the special fund, entitled the "Waterworks Sinking Fund" (continued under the Bond Resolution as hereinafter described), provided from the Net Revenues of such waterworks, 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 Waterworks 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 Waterworks District, acting in the name of the City, issued in series, of like date, tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total amount of _____ Dollars ($_____) (the "Bonds") for this series, numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the Waterworks District's waterworks[, to refund interim notes issued in anticipation of the Bonds,] [to fund a reserve] and to pay incidental expenses, [including a premium for municipal bond insurance] all as more particularly described in a Declaratory Resolution adopted on September 29, 2022, as confirmed by a resolution adopted on October 13, 2022, which bonds are authorized by Resolution No. _____ adopted by the Board on the 22nd day of September, 2022 (the "Bond Resolution"), and in

strict compliance with the provisions of Indiana Code, Title 8, Article 1.5, and the laws amendatory thereof and supplemental thereto (the "Act").

Pursuant to the provisions of the Act and the Bond Resolution, the principal and interest of this Bond and all other Bonds of said issue, are payable from the Waterworks Sinking Fund (continued by the Bond Resolution) to be provided from the Net Revenues of the waterworks of the Waterworks District. The Bonds of the issue of which this Bond is a part ranks on a parity with the 2018 Bonds (as defined in the Bond Resolution). The Waterworks District reserves the right to issue additional bonds on a parity with the pledge of Net Revenues to the Bonds of this issue, as provided in the Bond Resolution. This Bond does not and shall not constitute an indebtedness of the Waterworks District within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Waterworks District is not and shall not be obligated to pay this Bond or the interest hereon except from such special fund provided from such Net Revenues.

The Waterworks District irrevocably pledges the entire Net Revenues of the waterworks, to the extent necessary for that purpose, to the prompt payment of the principal of and interest on the Bonds of this issue authorized pursuant to the Bond Resolution, including this Bond and any Bonds hereafter issued on a parity herewith, on a parity with the payment of the 2018 Bonds. The Waterworks District covenants that it will cause to be fixed, maintained and collected water rates and charges for service rendered by said waterworks as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the waterworks and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Bond Resolution. If the Waterworks District or the proper officers of the Waterworks District shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for under Indiana law.

The Waterworks District further covenants that it will set aside and pay into its Waterworks Sinking Fund a sufficient amount of the Net Revenues of the waterworks to meet (a) the interest on all bonds payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all such bonds and interest, (c) the principal of all bonds payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount to [create and] maintain the reserve required by the Bond Resolution. Such required payments shall constitute a first charge upon all the Net Revenues, on a parity with the payment of the 2018 Bonds.

The Bonds of this issue maturing on _____ 1, 20__, and thereafter, are redeemable at the option of the Waterworks District on _____ 1, 20__, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Waterworks District and by lot within a maturity, at face value with no premium, plus accrued interest to the date of redemption.

[The Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Term Bond		Term Bond	
Date	Amount	Date	Amount
*		*	

*Final Maturity]

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

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the District, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Waterworks 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 Waterworks 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 Waterworks District shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the Waterworks District kept for that purpose at the [principal corporate trust] office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Waterworks District, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

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

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

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of $_____ or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

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

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

IN WITNESS WHEREOF, the Board of Directors of the Department of Waterworks of the City of Hammond, in Lake County, Indiana, has caused this Bond to be executed in the name of the City for and on behalf of the Waterworks District of the City, by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Controller of the City, and the corporate seal of the City to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile signature of the Clerk of the City.

CITY OF HAMMOND, INDIANA

[SEAL]

By: _____
Mayor

Countersigned by:

By: _____
Controller

ATTEST:

_____
Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

_____,
As Registrar

By: _____
Authorized Representative

[INSURANCE LEGEND]

ASSIGNMENT

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

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.	NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

End of Bond Form

Section 10. Preparation and Sale of BANs and Bonds; Official Statement; Bond Insurance; Investment Letter; and Rating.

(a) The Controller is hereby authorized and directed to have the BANs and Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute the BANs and Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the BANs and Bonds to the respective purchasers thereof, which may include the Bond Bank, after sale made in accordance with the provisions of this resolution, provided that at the time of said delivery the Controller shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than the 99% par value of the BANs and not less than 98.5% of the par value of the Bonds. The Waterworks District may receive payment for the Bonds and BANs in installments. Each series of Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be

the binding special revenue obligations of the Waterworks District payable out of the Net Revenues, on a parity with the 2018 Bonds. 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, funding a reserve for the Bonds and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the Waterworks 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) for the Bonds, prepared on behalf of the Waterworks District, is hereby authorized and approved and the President of the Board (the "President"), the Mayor or the Controller is authorized and directed to execute the Official Statement on behalf of the City in a form consistent with this resolution. The President, the Mayor or the Controller is hereby authorized to designate the preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 (the "Rule") as promulgated by the Securities and Exchange Commission. If the Bonds are sold to the Bond Bank, the President, the Mayor or Controller are hereby authorized to designate any material relating to the Waterworks District in any Official Statement (preliminary and final) for any bonds of the Bond Bank, the proceeds of which will be used to purchase the Bonds, as "nearly final" for purposes of the Rule.

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

(d) In the event the municipal advisor of the Waterworks District certifies to the Waterworks District that it would be economically advantageous for the Waterworks District to obtain a municipal bond insurance policy, the Waterworks District hereby authorizes the purchase of such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference between the present value of (a) the total debt service on the Bonds if issued without municipal bond insurance and (b) the total debt service on the Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. If such an insurance policy is purchased, the Mayor and the Controller are hereby authorized to execute and deliver all agreements with the provider of the policy to the extent necessary to comply with the terms of such insurance policy and the commitment to issue such policy. Such agreement shall be deemed a part of this resolution for all purposes and is hereby incorporated herein by reference.

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

Section 11. Sale of the Bonds.

(a) The Bonds may be sold by either a negotiated sale or by a competitive sale, as determined by the Controller with the advice of the Waterworks District's municipal advisor.

(b) If the Bonds are sold by negotiated sale, which may include a sale to the Bond Bank, the Bonds shall be sold pursuant to a purchase agreement between the Board, on behalf of the Waterworks District, and the purchaser (the "Purchase Agreement"), which may include the Bond Bank. In such case, the Purchase Agreement shall be executed by the President or Vice-President of the Board, on behalf of the Waterworks District, and attested by the Secretary of the Board. The Purchase Agreement may set forth the definitive terms and conditions for such sale, but all of such terms and conditions must be consistent with the terms and conditions of this resolution, including, without limitation, the interest rate or rates on the Bonds which shall not exceed the maximum authorized rate of interest for the Bonds pursuant to this resolution. Bonds sold to the Bond Bank shall be accompanied by all documentation required by the Bond Bank pursuant to IC 5-1.4 and the Purchase Agreement, including, without limitation, an approving opinion of nationally recognized bond counsel, certification and guarantee of signatures and certification as to no litigation pending, as of the date of delivery of the Bonds to the Bond Bank, challenging the validity or issuance of the Bonds. The entry by the Board, on behalf of the Waterworks District, into the Purchase Agreement, the execution of the Purchase Agreement on behalf of the Waterworks District by the President or the Vice-President of the Board, and the attestation of the Purchase Agreement by the Secretary of the Board, in accordance with this resolution, are hereby authorized, approved and ratified.

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

(d) In the case of a competitive sale, all bids for the Bonds shall be sealed and shall be presented either to the Controller, or at the office of the Waterworks District's municipal advisor on behalf of the Controller. The Controller, or the Waterworks District's municipal advisor on behalf of the Controller, shall continue to receive all bids offered until the hour on the day fixed in the notice, at which time and place the Controller, or the Waterworks District's municipal advisor on behalf of the Controller, shall open and consider the bids. Bidders for the

Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding six percent (6%) or such lower maximum rate set forth in the notice, and such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-hundredth (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 98.5% of the face amount of the Bonds will be considered. The opinion of Bose McKinney & Evans LLP, bond counsel of Indianapolis, Indiana, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the Waterworks District. The Bonds shall be awarded by the Controller to the best bidder who has submitted its bid in accordance with the terms of this resolution and the notice. The best bidder will be the one who offers the lowest net interest cost to the Waterworks District to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting therefrom the premium bid, if any. The right to reject any and all bids is hereby reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the Waterworks District than the best bid received at the time of the advertised sale will be considered.

Section 12. Financial Records and Accounts; Continuing Disclosure.

(a) The Waterworks District shall keep proper records and books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of said waterworks and all disbursements made therefrom and all transactions relating to said waterworks. Copies of all such statements and reports shall be kept on file in the office of the Waterworks District.

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

Section 13. Pledge of Net Revenues.

The interest on and the principal of the Bonds issued pursuant to the provisions of this resolution shall be payable solely from and secured by an irrevocable pledge of and constitute a first charge upon the Net Revenues of the waterworks, on a parity with the 2018 Bonds. The Board hereby pledges the Net Revenues to the payment of the Bonds, on a parity with the 2018 Bonds, as herein provided in accordance with the Act and IC 5-1-14-4.

Section 14. Use of Proceeds.

(a) The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Waterworks Sinking Fund (the "Sinking Fund"). The remaining proceeds from the sale of the Bonds, to the extent not used to refund the BANs, if

issued, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Waterworks District, in a special account or accounts to be designated as "City of Hammond Waterworks District Construction Account" (the "Construction Account"). All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act, or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Bose McKinney & Evans LLP shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

(b) 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 be used solely for one or more of the purposes permitted under the provisions of IC 5-1-13, as amended.

Section 15. Revenue Fund.

There is hereby continued a fund known as the Revenue Fund (the "Revenue Fund"). All revenues derived from the operation of the waterworks and from the collection of water rates and charges shall be deposited in the Revenue Fund. The moneys deposited in the Revenue Fund shall be segregated and kept apart from all other funds and bank accounts of the Waterworks District. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the waterworks shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, the reserve shall be funded, and the cost of replacements, extensions, additions and improvements shall be paid as hereinafter provided.

Section 16. Operation and Maintenance Fund.

There is hereby continued the Operation and Maintenance Fund (the "O&M Fund"). On the last day of each calendar month there shall be credited from the Revenue Fund to the O&M Fund a sufficient amount of the revenues of the waterworks so that the balance maintained in the O&M Fund shall be sufficient to pay the expenses of operation, repair and maintenance of the works for the then next succeeding two (2) calendar months. The moneys credited to the O&M Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in the O&M Fund shall be used for depreciation, replacements, improvements, extensions or additions. Any balance in the O&M Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding calendar month may be transferred to the Waterworks Sinking Fund continued hereby if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

Section 17. Waterworks Sinking Fund.

There is hereby continued the Waterworks Sinking Fund (the "Sinking Fund") for the payment of the principal of and interest on revenue bonds which by their terms are payable from the revenues of the waterworks, and the payment of any fiscal agency charges in connection with the payment of bonds and interest. There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the waterworks to meet the requirements of the Bond and Interest Account and of the Debt Service Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to their final maturity.

(a) Bond and Interest Account. There is hereby continued within the Sinking Fund the Bond and Interest Account (the "Bond and Interest Account"). There shall be credited to the Bond and Interest Account on the last day of each calendar month an amount of the Net Revenues equal to the sum of one-sixth (1/6) of the interest on all then outstanding bonds of the waterworks payable on the then next succeeding interest payment date, and one-sixth (1/6) of the principal on all then outstanding bonds of the waterworks payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the next succeeding respective interest and principal payment dates shall have been so credited; provided that such fractional amounts shall be appropriately increased to provide for the first interest and first principal payments. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on outstanding bonds of the waterworks as the same become payable. The Waterworks District shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owners or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. There is hereby continued, within the Sinking Fund, the Debt Service Reserve Account (the "Reserve Account"). On the date of delivery of the Bonds, funds on hand of the Waterworks District, Bond proceeds, or a combination thereof may be deposited into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the maximum annual debt service on the 2018 Bonds, the Bonds and any bonds hereafter issued on a parity therewith (the "Parity Bonds") (the "Reserve Requirement"). If on the date of delivery of the Bonds no deposit is made to the Reserve Account, or the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement, beginning with the first month after the Bonds are delivered an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be in an amount sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and as protection against default in the payment of principal of and interest on the 2018 Bonds, the Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the 2018 Bonds, the Bonds and any Parity Bonds to the extent that moneys in the Bond and

Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay interest and principal on the 2018 Bonds, the Bonds or any Parity Bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Waterworks Improvement Fund, and in no event shall such excess moneys be held in the Reserve Account.

In the event additional Parity Bonds are hereafter issued, the Reserve Requirement shall be proportionately increased to equal the maximum annual debt service on the 2018 Bonds, the Bonds and all Parity Bonds issued on a parity therewith; provided, that if nationally recognized bond counsel is unable to provide an opinion that interest on such proposed additional Parity Bonds is excludable from gross income for federal income tax purposes as a result of the determination of the Reserve Requirement in the manner provided in this Section 17(b), then the Waterworks District may, in order to allow such opinion to be issued, establish a separate reasonably required reserve fund that secures only the proposed Parity Bonds and shall expressly provide in the authorizing resolution for such proposed Parity Bonds that the moneys deposited in the Reserve Account hereby as a margin for safety for the payment of principal of and interest on the 2018 Bonds, the Bonds and any other Parity Bonds do not secure such proposed Parity Bonds.

Section 18. Waterworks Improvement Fund.

There is hereby continued the special fund designated the "Waterworks Improvement Fund" (the "Improvement Fund"). After making all required payments into the O&M Fund and the Sinking Fund, then any excess Net Revenues may be credited to the Improvement Fund for improvements, replacements, additions and extensions of the waterworks. Moneys in the Improvement Fund shall be transferred to the Sinking Fund, if necessary, to prevent a default in the payment of principal of or interest on the then outstanding bonds or if necessary to eliminate any deficiencies in credits to or minimum balance in the Reserve Account. Moneys in the Improvement Fund also may be transferred to the O&M Fund to meet unforeseen contingencies in the operation, repair and maintenance of the waterworks.

Section 19. Investment of Funds.

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

Section 20. Maintenance of Accounts.

The Bond and Interest Account, the Reserve Account and all other funds and accounts continued or created by this resolution shall be kept in separate bank accounts apart from all other bank accounts of the Waterworks District. In no event shall any revenues of the waterworks be transferred or used for any purpose not authorized by this resolution so long as any of the Bonds of the waterworks issued pursuant to this resolution shall be outstanding. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this resolution.

Section 21. Maintenance of Books and Records.

The Department shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the waterworks prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Controller. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports and data of the Waterworks District relating to the waterworks. Such inspections may be made by representatives duly authorized by written instrument.

The City 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) and the waterworks in accordance with (i) generally accepted accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board, and (ii) the rules, regulations, and guidance of the State Board of Accounts.

Section 22. Rate Covenant. The Department covenants and agrees that it will establish, maintain and collect reasonable and just rates and charges for facilities and services afforded and rendered by the waterworks, which shall to the extent permitted by law produce sufficient revenues at all times to pay all the legal and other necessary expenses incident to the operation of the waterworks, to include maintenance costs, operating charges, upkeep, repairs, interest charges on bonds or other obligations, to provide for the proper operation, repair and maintenance of the waterworks, to provide a sinking fund and debt service reserve for the liquidation of bonds or other evidence of indebtedness, to provide adequate funds to be used for working capital, as well as funds for making extensions, additions, and replacements, and also, for the payment of any taxes that may be assessed against such waterworks and a reasonable return on the waterworks; it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain the waterworks property in a sound physical and financial condition to render adequate and efficient service. So long as any of the Bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by the waterworks shall be

furnished without a reasonable and just charge being made therefore. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the waterworks and the requirements of the Sinking Fund.

Section 23. Defeasance of Bonds.

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

Section 24. Additional Bond Provisions.

The Waterworks District reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The Waterworks District reserves the right to authorize and issue additional Parity Bonds, payable out of the Net Revenues of its waterworks, ranking on a parity with the Bonds with respect to payments from Net Revenues, for the purpose of financing the cost of future additions, extensions, replacements and improvements to the waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this resolution, and the interest on and principal of all bonds payable in whole or in part from the Net Revenues of the waterworks shall have been paid in accordance with their terms.

(b) As of the date of issuance of such additional Parity Bonds, the balance in the Reserve Account shall equal not less than (i) the Reserve Requirement (not including the increase necessitated by the additional Parity Bonds) or (ii) if the additional Parity Bonds are to be issued within five (5) years of the date of the issuance of the Bonds, the balance in the Reserve Account equals the amount of aggregate monthly deposits to be made thereto in accordance with Section 17(b) of this resolution, and the Reserve Requirement is proportionately increased in accordance with the provisions of Section 17(b) of this resolution and the Waterworks District covenants to make equal monthly deposits into the Reserve Account over not longer than a sixty (60) month period sufficient to equal the increased Reserve Requirement.

(c) The Net Revenues of the waterworks in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of said Parity Bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges when applied to the previous fiscal year's operations would have produced Net Revenues for said period equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued. For purposes of this subsection all showings shall be prepared by a certified public accountant or nationally recognized firm of professionals experienced in analyzing financial records of municipal utilities retained by the Department for that purpose.

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

Section 25. Further Covenants of the Waterworks 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 Department 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 Board. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Board.

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

(d) So long as any of the Bonds and BANs are outstanding, the Waterworks District shall maintain insurance coverage (which must be acceptable to the Bond Bank so long as it shall hold any bonds of the Waterworks District), including fidelity bonds, to protect the waterworks and its operations on the insurable parts of the system, of a kind and in an amount such as is usually 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 of Indiana. All insurance proceeds and condemnation awards shall be used in replacing or

restoring the property destroyed, damaged or taken; alternatively, they may be applied as Net Revenues of the works.

(e) So long as any of the BANs or Bonds are outstanding, the Waterworks District shall not mortgage, pledge or otherwise encumber such works, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may become worn out or obsolete, without the prior written consent of the Bond Bank so long as it shall hold any BANs or bonds of the Waterworks District.

(f) Except as hereinbefore provided in Section 24 hereof, so long as any of the Bonds herein authorized are outstanding, no additional Bonds or other obligations pledging any portion of the revenues of said waterworks shall be authorized, executed, or issued by the Waterworks District except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 23 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this resolution shall constitute a contract by and between the Waterworks District and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this resolution shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds or BANs nor shall the Board adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 27(a)-(g), this resolution may be amended, however, without the consent of BAN or Bond owners, if the Board determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds.

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

Section 26. Tax Covenants.

In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be ("Code") and as an

inducement to purchasers of the Bonds and BANs, the Waterworks District represents, covenants and agrees that:

(a) The waterworks 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 Waterworks 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 Waterworks 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 Waterworks District enters into a management contract for the waterworks, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Treasury Regulations promulgated thereunder, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this resolution or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the Waterworks 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 Waterworks 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 Waterworks 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 Waterworks District act in any other manner which would adversely affect such exclusion. The Waterworks District covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this resolution if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds or BANs, as the case may be.

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

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

Section 27. Amendments with Consent of Bondholders.

Subject to the terms and provisions contained in this Section and Section 25(g), 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 Waterworks District of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Waterworks 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, nothing herein contained shall permit or be construed as permitting:

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

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

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

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

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

(f) A reduction in the Reserve Requirement; or

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

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental resolution shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Board of the Waterworks 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 Waterworks 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 Waterworks 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 Waterworks 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 Waterworks District and the consent of the owners of all the Bonds issued pursuant to this resolution then outstanding.

Section 28. Issuance of BANs.

(a) The Waterworks District, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs pursuant to a Bond Anticipation Note Purchase Agreement (the "BAN Purchase Agreement") to be entered into between the Waterworks District and the purchaser of the BAN or BANs. The Board hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing the Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the Waterworks 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 President or Vice-President of the Board and the Secretary of the Board are hereby authorized and directed to execute and attest a BAN Purchase Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The President, the Vice-President of the Board, the Secretary of the Board, the Mayor, the Controller and the other officers of the Waterworks District, including its CEO, may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 29. Resolution to be Filed with Controller.

The Secretary to the Board is hereby directed to file a certified copy of this resolution with the Controller for preparation of the Bonds.

Section 30. Tax Exemption.

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

Section 31. Conflicting Resolutions.

All resolutions and parts of resolutions in conflict herewith are hereby repealed, provided, however, that this resolution shall not be construed as adversely affecting the rights of the holders of the 2018 Bonds.

Section 32. Effective Date.

This resolution shall be in full force and effect from and after its passage.

Passed and adopted by the Board of Directors of the Hammond Water Works Department this 29th day of September, 2022.

BOARD OF DIRECTORS OF THE
HAMMOND WATER WORKS
DEPARTMENT

Sharon M. Daniels

President

ATTEST:

Secretary

EXHIBIT A

Description of Project

The Project includes the design, construction and acquisition of certain improvements to the waterworks including the floc basin replacement, installation of various pumps, chemical feeds and other improvements and equipment, together with expenses incidental thereto, including all expenses incurred in connection with and on account of the issuance of the Bonds and, if necessary, all or any portion of the reserve for the Bonds.