

201200004222  
Filed for Record in  
BROWN COUNTY, IN  
SANDY CAIN, COUNTY RECORDER  
12-21-2012 At 09:25 a.m.  
RESOLUTION .00  
OR Book 183 Page 779 - 783

*CORDRY SWEETWATER CONSERVANCY DISTRICT*

**RESOLUTION 2012- 8**

**RESOLUTION APPROVING TAX COVENANTS AND REPRESENTATIONS**

**WHEREAS**, the Board of Directors of the Cordry Sweetwater Conservancy District ("Board") is the Governing Body of the Cordry Sweetwater Conservancy District ("District"); and,

**WHEREAS**, the Board has determined to construct an Administrative/Maintenance Facility ("Project") upon real property owned by the District in order to accomplish the District Plan as previously ordered by the Brown Circuit Court; and,

**WHEREAS**, in order to pay the cost of architectural services, attorney fees and other costs associated with the Project and to construct the Project, the Board has determined to obtain a credit facility ("Loan") from First Financial Bank, Columbus, Indiana ("Bank"), in an amount not to exceed \$600,000.00, said Loan shall be evidenced by a Note executed by the District and deemed a general obligation of the District, and repaid through the levy of taxes upon the real property located within the District, through the issuance of Bonds, the imposition of special benefit assessment tax, or the imposition of exceptional benefit tax, or any combination thereof; and,

**WHEREAS**, the Bank has requested certain tax covenants and representations to be made by the District and the District determines that said covenants and representations should be made.

**NOW BE IT THEREFORE RESOLVED** by the Board of Directors of the Cordry Sweetwater Conservancy District that:

1. In order to preserve the exclusion of interest on the Note from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the

date of execution of the Note, as the case may be ("Code"), and as an inducement to the Bank, its successors, assignees, and any subsequent holder of the Note, the Board represents, covenants and agrees that:

(A) The Project to be designed and paid for with the proceeds of the Note will be available for use by freeholders of the political subdivision known as the Cordry Sweetwater Conservancy District. Use by a member of the general public means use by natural persons not engaged in trade or business. No person or entity other than the District or another state or local governmental unit will use more than 10% of the proceeds of the Note, or property improved as a result of the expenditure of the proceeds of the Note, other than as a member of the general public. No person or entity other than the District or another state or local governmental unit will own property financed by the Note 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 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 loan proceeds.

(B) No more than 10% of the principal of the Note is directly or indirectly secured by an interest in property used or to be used for any private business use or payment in respect of any private business use or payment in respect of such property or to be derived from payments (whether or not to the District) in respect of such property or borrowed money used or to be used for a private business use.

(C) None of the Note proceeds will be loaned to any person or entity other than another state or local governmental unit. No part of the Note proceeds will be transferred directly

or indirectly or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the Note proceeds.

(D) The District reasonably expects, as of the date hereof, that the Note will not meet either the private business use test or the private loan test during the entire term of the Note.

(E) None of the loan proceeds will be attributable to private business use.

(F) The Board represents that:

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

(2) The Note is not a private activity bond as defined in Section 141 of the Internal Revenue Code;

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

(4) The aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District and all units subordinate to the District, including on-behalf-of issuers and subordinate entities as those terms are defined in Treasury Regulation Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000.00 in calendar year 2012, 2013, 2014, 2015, 2016, 2017 and 2018; and,

(5) The District has not been formed or availed of to otherwise avoid the purposes of the \$5,000,000.00 size limitation.

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

(G) The District represents that:

(1) The Note is not a private activity bond as defined in Section 141 of the Code;

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

(3) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the District, and all entities subordinate to the District during 2012, 2013, 2014, 2015, 2016, 2017 and 2018, does not exceed \$10,000.000.00; and

(4) The District will not designate more than \$10,000.000.00 of qualified tax-exempt obligations during 2012, 2013, 2014, 2015, 2016, 2017 and 2018.

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

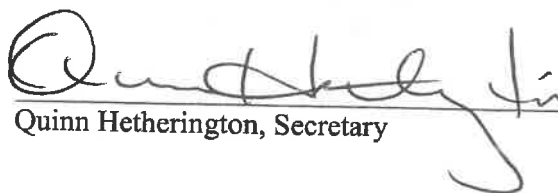
**ADOPTED THIS 18<sup>th</sup> DAY OF December, 2012.**

CORDRY SWEETWATER CONSERVANCY  
DISTRICT BOARD OF DIRECTORS

Aye Nay

  
Larry Kolar, Chairman X

  
Francis Gantner, Vice Chairman X

  
Quinn Hetherington, Secretary X

Aye Nay

David A. Jarrett

David Jarrett, Member

✓ —

David Moebs

David Moebs, Member

✓ —

Anita Wright

Anita Wright, Member

✓ —

Herbie Benshoof

Herbie Benshoof, Member

✓ —

ATTEST:

Quinn Hetherington

Quinn Hetherington, Secretary