

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF
CWA AUTHORITY, INC.
HELD APRIL 13, 2011**

Pursuant to notice duly given and posted as required by law, the Meeting of the Board of Directors for CWA Authority, Inc. convened at 9:00 a.m. EST, Wednesday, April 13, 2011, at the principal office of the Utility, 2020 North Meridian Street, Indianapolis, Indiana.

Board members present: Daniel A. Appel, Jeffrey E. Good, Anita J. Harden, Dorothy J. Jones, Martha D. Lamkin, James M. McClelland, and Anne Nobles.

Present from the Utility: President and Chief Executive Officer Carey B. Lykins, Senior Vice President and Chief Financial Officer John R. Brehm, Senior Vice President and General Counsel and Assistant Secretary John R. Whitaker, Senior Vice President, Chief Administrative Officer M Jean Richcreek, Senior Vice President, Operations William A. Tracy, Vice President, Integration and Associate Counsel Aaron D. Johnson, Vice President, Engineering and Facilities Management, Jeffrey A. Harrison, Vice President of Market Development Michael D. Strohl, Executive Director of Regulatory Affairs LaTona S. Prentice, Director of Environmental Stewardship Ann McIver, Director of Treasury Curtis H. Popp, General Manager of Gas Operations Christopher H. Braun, Manager, Corporate Communication Dan C. Considine, and Counsel Ruth A. Hardy.

Guests present: Kathryn G. Betley, Daniel F. Evans, Jr., John L. Krauss, Philip C. Genetos of Ice Miller and Tyler J. Kalachnik of Ice Miller.

The meeting was called to order by Chairman Lamkin.

The minutes of the Meeting of the Board of Directors held February 9, 2011, were approved as submitted.

Ms. McIver led a discussion regarding the request to adopt Resolution No. CWA 2-2011, attached as Exhibit "A," to establish procedures for the construction of and additions to wastewater collection and treatment system owned and operated by CWA Authority, Inc. This resolution (1) incorporates the relevant portion of the existing municipal code necessary to support implementation of the industrial pretreatment permitting (IPP) program, including amendments required by US EPA, (2) establishes obligations for certain industrial users to apply for and obtain an industrial discharge permit, and (3) requires wastewater haulers to submit sampling prior to discharging wastewater at facilities owned by CWA Authority, Inc.

Ms. Lamkin then asked for comments from the public regarding the aforementioned resolution. Mr. Pratt stated that the Industrial Pretreatment Program is a critical program that is well executed by the City and, therefore, should be continued. After discussion, Ms. Nobles recused herself and the following resolution was adopted:

RESOLVED by the Board of Directors for CWA Authority, Inc.:

That the request to adopt the resolution, attached as Exhibit "A," to establish procedures for the construction of and additions to wastewater collection and treatment system owned and operated by CWA Authority, Inc. is hereby approved.
(CWA2-2011)

Ms. McIver led a discussion regarding the request to adopt Resolution No. CWA 3-2011, attached as Exhibit "B," authorizing enforcement of violations and establishing an administrative adjudication process for violations. This resolution gives CWA Authority, Inc. the ability to assess fines for violations of permits and establish the administrative process by which violations will be handled. If the administrative process is used by a respondent, they can elect to negotiate a compliance agreement or have a formal hearing in front of an Administrative Hearing Officer. Ms. Lamkin then asked for comments from the public regarding the aforementioned resolution. Mr. Pratt offered testimony saying the program language was standard and consistent with the City's current program. Mr. Pratt expressed concern that the position qualifications only required two years of legal and environmental experience. He urged Citizens to hire a hearing officer who understands environmental law and the impact of chemicals on the environment. Mr. Pratt urged Citizens to seek a change in the state statute that only allows a maximum \$2,500 fine for single violations and \$7,500 for repeated violations. He also added that the INDIAC group provides an effective forum for collaboration among permit holders and the utility. After discussion, Ms. Nobles recused herself and the following resolution was adopted:

RESOLVED by the Board of Directors for CWA Authority, Inc.:

That the request to adopt the resolution, attached as Exhibit "B," authorizing enforcement of violations and establishing an administrative adjudication process for violations is hereby approved.
(CWA3-2011)

Mr. Genetos led a discussion regarding the request to adopt a resolution approving the issuance of revenue bonds to provide necessary funds to (1) satisfy and replace the outstanding debt of the Sanitary District of the City of Indianapolis and The Indianapolis Local Public Improvement Bond Bank ("Bond Bank"), (2) pay the purchase price for the Wastewater System

as provided in the Asset Purchase Agreement, (3) fund capital improvements and working capital needs for the Wastewater System and (4) pay for expenses in connection with the issuance of such bonds, including a debt service reserve, if necessary. The resolution approves substantially final forms of the documents related to the Authority's bonds. The resolution also authorizes the development of documentation between the Authority and the Indiana Finance Authority ("IFA") relating to the replacement of the outstanding Bond Bank bonds. The IFA currently holds certain of the outstanding Bond Bank bonds. Finally, the resolution authorizes the development of documentation for working capital and capital project purposes which will be proposed for approval closer to the closing of the acquisition of the Wastewater System. Ms. Lamkin then asked for comments from the public regarding the aforementioned resolution. After discussion, the following resolution was unanimously adopted:

RESOLVED by the Board of Directors for CWA Authority, Inc.:

Recitals

WHEREAS, the City of Indianapolis (the "City"), the Sanitary District of the City (the "District"), acting by and through the Board of Public Works and the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), acting by and through the Board of Directors for Utilities (the "Citizens Board") entered into an Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater) (the "Interlocal Agreement") dated as of August 9, 2010, establishing CWA Authority, Inc. (the "Authority") for the purpose of acquiring, owning and operating the wastewater treatment facilities of the City and the District (the "Wastewater System") and exercising all of Citizens', the City's and the District's powers (except as set forth in the Interlocal Agreement, the City's power of taxation and taxing authority) that are necessary, useful or appropriate to the acquisition, ownership and operation of the Wastewater System; and

WHEREAS, the Interlocal Agreement has been filed with the Indiana Department of Environmental Management, the Indiana Department of Natural Resources, the Indiana Utility Regulatory Commission, the Marion County, Indiana Recorder, the Boone County, Indiana Recorder, the Hamilton County, Indiana Recorder, the Madison County, Indiana Recorder, the Hancock County, Indiana Recorder, the Shelby County, Indiana Recorder, the Johnson County, Indiana Recorder, the Morgan County, Indiana Recorder and the Hendricks County, Indiana Recorder; and

WHEREAS, the District and the City, through the City-County Council of the City and the committees thereof, held meetings on April 14, 2010, April 21, 2010, April 22, 2010, April 26, 2010, April 27, 2010, May 3, 2010, May 11, 2010, and May 17, 2010, in compliance with Indiana Code 5-14-1.5 (the "Open Door Law") concerning the execution and delivery of the Interlocal Agreement; and

WHEREAS, the Citizens Board held a public hearing concerning the execution and delivery of the Interlocal Agreement at its meeting of August 6, 2010, for which notice was published in accordance with Indiana Code 5-3-1; and

WHEREAS, the Authority has been incorporated as an Indiana nonprofit corporation pursuant to Indiana Code 23-17 et. seq. (the "Nonprofit Act") by the filing of the Authority's Articles of Incorporation (the "Articles") and at a meeting

of the Authority Board on August 11, 2010, the Authority Board adopted bylaws (the "Bylaws") concerning the operation of the Authority Board; and

WHEREAS, the Authority:

(a) is qualified to own, operate and finance the Wastewater System under various federal and state statutes or regulations, subject to having obtained all necessary governmental approvals;

(b) is exempt from federal taxation;

(c) will operate the Wastewater System through the employees of Citizens and others;

(d) will have all of the powers of Citizens, the District and the City which are necessary, useful or appropriate for the acquisition, ownership and operation of the Wastewater System (except as set forth in the Interlocal Agreement, the City's power of taxation and taxing authority);

(e) is a "qualified entity" under Indiana Code 5-1.4-1-10;

(f) is an "issuer" under Indiana Code 5-1-14-4(a);

(h) will meet the definition of an eligible borrower under applicable environmental requirements;

(i) will meet the State Revolving Fund/U.S. Environmental Protection Agency definition of a qualified owner/operator;

(j) is a public body created pursuant to Indiana Code 36-1-7 and the Nonprofit Act;

(k) is a political subdivision and instrumentality of the State of Indiana and thus, a "municipality" under 11 United States Code § 101(40);

(l) will have jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifies as a publicly owned treatment works within the meaning of the Clean Water Act;

(m) is not authorized to become a debtor under the United States Bankruptcy Code; and

(n) will have the same power and authority with respect to debt, bond and other financing as the City, the District and Citizens; and

WHEREAS, the District and the City, through the City-County Council of the City and the committees thereof, held meetings on April 14, 2010, July 6, 2010, July 19, 2010, and July 26, 2010, in compliance with the Open Door Law concerning the execution and delivery of an Asset Purchase Agreement dated as of August 11, 2010 (the "APA") among the District, the City, the Authority and Citizens providing for the acquisition of the Wastewater System by the Authority upon the occurrence of certain conditions contained in the APA and upon approval of the Indiana Utility Regulatory Commission as set forth in Section 12.03 of the APA; and

WHEREAS, the Authority Board held a public hearing concerning the execution and delivery of the APA at its meeting of August 11, 2010, for which notice was published in accordance with Indiana Code 5-3-1; and

WHEREAS, the Citizens Board held a public hearing concerning the execution and delivery of the APA at its meeting of August 11, 2010, for which notice was published in accordance with Indiana Code 5-3-1; and

WHEREAS, the City, the District, acting by and through the Board of Public Works, the Authority and Citizens have executed and entered into the APA; and

WHEREAS, the District has issued several series of bonds to finance and refinance the Wastewater System (the "District Bonds"); and

WHEREAS, The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") issued several series of its bonds (the "Bond Bank Bonds") to purchase certain series of the District Bonds and in turn the Bond Bank sold the related Bond Bank Bonds to the Indiana Finance Authority (as successor administrator of the State Revolving Fund Program to the Indiana Bond Bank) (the "IFA"); and

WHEREAS, the Bond Bank, the District and the IFA entered into several Financial Assistance Agreements providing for the terms of loans from the IFA to the District in connection with the issuance of the Bond Bank Bonds to the IFA; and

WHEREAS, the APA provides that as a condition to the acquisition of the Wastewater System by the Authority, the Authority will issue bonds in replacement or satisfaction of the Bond Bank Bonds and the District Bonds as described in the APA; and

WHEREAS, the APA further provides that as a condition to the acquisition of the Wastewater System by the Authority, the Authority will pay an acquisition price as specified in the APA; and

WHEREAS, the Authority desires to issue its First Lien Wastewater Revenue Bonds, Series 2011 (the "Series 2011 First Lien Bonds") pursuant to this Resolution and the First Lien Master Trust Indenture (the "First Lien Master Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., in replacement and satisfaction of the Bond Bank Bonds and the District Bonds and for the additional purpose of funding additional improvements to the Wastewater System; and

WHEREAS, the Authority desires to issue bonds subordinate to the Series 2011 First Lien Bonds (the "2011 Second Lien Bonds") pursuant to this Resolution and a Second Lien Master Trust Indenture substantially in the form of the First Lien Master Indenture (the "Second Lien Master Indenture") providing for a lien subordinate to the First Lien Master Indenture in order to fund the purchase price of the Wastewater System and working capital needs of the Wastewater System, among other purposes; and

WHEREAS, the Authority desires to enter into a line of credit and/or issue certificates of indebtedness or revenue obligations ("Subordinate Securities") in order to fund its working capital and capital project needs in connection with the operation of the Wastewater System; and

WHEREAS, bonds and obligations of the Authority are protected by the provisions of Indiana Code 5-1-14 et. seq.; and

WHEREAS, it is anticipated that the IFA will purchase a portion of the Series 2011 First Lien Bonds (the "Privately Sold First Lien Bonds") and the Authority and the IFA will execute one or more Financial Assistance Agreements in connection therewith; and

WHEREAS, notice has been published on April 1, 2011, in accordance with Indiana Code 5-3-1 of a hearing on the adoption of this Resolution and to consider the matters addressed in this Resolution; and

WHEREAS, the Authority Board conducted a public hearing to consider testimony for all interested members of the public and to consider the evidence presented at the hearing; and

WHEREAS, the Authority Board, after considering all such testimony and evidence, desires to adopt this Resolution; and

WHEREAS, the Authority acts in accordance with Indiana Code 8-1-11.1, Indiana Code 36-9-25, Indiana Code 36-1-7, Indiana Code 5-14-1.5, Indiana Code 5-1-14, the Nonprofit Act and the Interlocal Agreement; and

WHEREAS, all bonds, certificates of indebtedness and revenue obligations issued in accordance with and pursuant to this Resolution shall be limited obligations of the Authority, payable solely as provided in the First Lien Indenture, the Second Lien Indenture and the Subordinate Securities, as applicable;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUTHORITY that:

SECTION 1. RECITALS. The foregoing recitals, the Articles, the Bylaws, the provisions of the Interlocal Agreement and the provisions of the APA are incorporated herein by reference.

SECTION 2. DEFINITIONS. Terms used in this Resolution are used with the respective meanings ascribed to such terms in the following paragraphs and in the recitals above (unless otherwise provided):

"Acts" means the Nonprofit Act, Indiana Code 36-9-25, et. seq., Indiana Code 36-1-7, et. seq., Indiana Code 5-1-14 et. seq. and Indiana Code 8-1-11.1, et. seq., each as amended from time to time.

"Bond Documents" means (a) the First Lien Master Indenture, (b) the Second Lien Master Indenture, (c) the Series 2011 First Lien Supplemental Indenture, (d) the Series 2011 Bonds, (e) the Series 2011 Second Lien Supplemental Indenture, (f) any Credit Facility, (g) any Liquidity Facility, (g) the Subordinate Securities and (h) the Financial Assistance Agreement.

"Continuing Disclosure Undertaking Agreements" means (a) the Continuing Disclosure Undertaking Agreement, between the Authority and the Trustee, as counterparty, in connection with the Authority's continuing disclosure obligations with respect to the Publicly Sold First Lien Bonds and the Series 2011 Second Lien Bonds and (2) the Continuing Disclosure Undertaking Agreement, among the Authority, the IFA and the Trustee, as counterparty, in connection with the Authority's continuing disclosure obligations with respect to the Privately Sold First Lien Bonds.

"Contract of Purchase" means the Bond Purchase Agreement or Agreements, between the Authority and the Purchaser, providing for the sale of the Publicly Sold First Lien Bonds to the Purchaser and the Bond Purchase Agreement or Agreements, between the Authority and the Purchaser, providing for the sale of the Series 2011 Second Lien Bonds to the Purchaser.

"Credit Facility" means an irrevocable letter of credit, standby bond purchase agreement, bond insurance policy, surety bond or other credit support mechanism or agreement issued by a Credit Provider, as security for the payment of the Series 2011 Bonds or any portion of the Series 2011 Bonds, which Credit Facility may be secured or obtained by any Executive Officer at the time of issuance of the Series 2011 Bonds.

"Credit Facility Agreement" means a reimbursement agreement or a similar agreement, between the Authority and a Credit Provider, in connection with the provision of any Credit Facility.

"Credit Provider" means a financial institution, insurer or other similar entity and their successors and assigns, as applicable, as issuer of the Credit

Facility for the Series 2011 Bonds or any portion of the Series 2011 Bonds selected by any Executive Officer pursuant to Section 11.

"Executive Officer" means the President of the Authority Board, the Vice President of the Authority Board, the President of the Authority, any Vice President of the Authority or the Chief Financial Officer and Assistant Treasurer of the Authority.

"Financial Assistance Agreement" means the Financial Assistance Agreement or Financial Assistance Agreements between the Authority and the IFA relating to the Privately Sold First Lien Bonds, similar in form to those Financial Assistance Agreements entered into between the IFA, the Bond Bank and the District.

"First Lien Trust Indenture" means the First Lien Master Trust Indenture as supplemented by the Series 2011 First Lien Supplemental Indenture.

"Liquidity Facility" means a line of credit, irrevocable letter of credit, bond purchase agreement or other similar mechanism or agreement issued by a Liquidity Provider, as security for the purchase of the Publicly Sold First Lien Bonds or Series 2011 Second Lien Bonds in a remarketing of the Publicly Sold First Lien Bonds or Series 2011 Second Lien Bonds, which Liquidity Facility may be secured or obtained by any Executive Officer.

"Liquidity Provider" means a financial institution, insurer or other similar entity and their successors and assigns, as applicable, as issuer of the Liquidity Facility for the Publicly Sold First Lien Bonds or Series 2011 Second Lien Bonds or any portion of the Publicly Sold First Lien Bonds or Series 2011 Second Lien Bonds selected by any Executive Officer pursuant to Section 11.

"Master Trust Indentures" means the First Lien Master Trust Indenture and the Second Lien Master Trust Indenture.

"Official Statement" means the Official Statement of the Authority for the offering of the Publicly Sold First Lien Bonds and the Official Statement of the Authority for the offering of the Series 2011 Second Lien Bonds.

"Publicly Sold First Lien Bonds" means the portion of the Series 2011 First Lien Bonds not sold to the IFA.

"Purchaser" means any of Morgan Stanley & Co. Incorporated, the Indiana Bond Bank, the Bond Bank or the IFA as the initial purchaser of the Publicly Sold First Lien Bonds and/or the Series 2011 Second Lien Bonds.

"Put" means the right or the obligation of the holders of the Publicly Sold First Lien Bonds and Series 2011 Second Lien Bonds to put or tender their Publicly Sold First Lien Bonds and Series 2011 Second Lien Bonds to the Authority, a Remarketing Agent or a Liquidity Provider on a Put Date during a term rate period under a Series 2011 Supplemental Indenture.

"Put Date" means the date selected by an Executive Officer contemporaneous with the issuance of Publicly Sold First Lien Bonds and Series 2011 Second Lien Bonds or an earlier date, on which the holders of such Publicly Sold First Lien Bonds and Series 2011 Second Lien Bonds may be able to or shall be obligated to put or tender such Publicly Sold First Lien Bonds and Series 2011 Second Lien Bonds to the Authority, a Remarketing Agent or a Liquidity Provider.

"Remarketing Agent" means the broker-dealer approved by any Executive Officer in accordance with Section 11 hereof contemporaneous with a Put Date.

"Remarketing Agreement" means the Remarketing Agreement or Remarketing Agreements, between the Authority and a Remarketing Agent for

the Series 2011 Bonds or any portion thereof in a form approved by any Executive Officer.

"Second Lien Trust Indenture" means the Second Lien Master Trust Indenture as supplemented by the Series 2011 Second Lien Supplemental Indenture.

"Series 2011 Bonds" means the Series 2011 First Lien Bonds and Series 2011 Second Lien Bonds.

"Series 2011 First Lien Supplemental Indenture" means the Series 2011 Supplemental Trust Indenture providing for the issuance of the Series 2011 First Lien Bonds between the Authority and the Trustee.

"Series 2011 Second Lien Supplemental Indenture" means the Series 2011 Supplemental Indenture, substantially in the form of the Series 2011 First Lien Supplemental Indenture, providing for the issuance of the Series 2011 Second Lien Bonds.

"Series 2011 Supplemental Indentures" means the Series 2011 First Lien Supplemental Indenture and the Series 2011 Second Lien Supplemental Indenture.

"Transactions" means the transactions contemplated by this Resolution and the Bond Documents.

"Trustee" means The Bank of New York Mellon Trust Company, N.A.

SECTION 3. LIMITED OBLIGATIONS. The Series 2011 Bonds and Subordinate Securities are limited obligations of the Authority and are payable as provided therein and in the Master Trust Indentures from Pledged Funds and Net Revenues (each as defined in the Master Trust Indentures) of the Wastewater System. The Series 2011 Bonds and Subordinate Securities do not now, and shall never, constitute a charge against the general credit of the City, the State of Indiana or any other political subdivision thereof, including Citizens.

SECTION 4. SERIES 2011 FIRST LIEN BONDS. The Authority Board authorizes any Executive Officer to approve the issuance, execution, sale and delivery of the Series 2011 First Lien Bonds, subject to the further provisions of this Section 4 and pursuant to the Acts, by and on behalf of the Authority. The Authority shall issue the Series 2011 First Lien Bonds in an aggregate principal amount sufficient to (i) replace and satisfy those Bond Bank Bonds and District Bonds selected by any Executive Officer in accordance with the Memorandum of Understanding between the Authority and the IFA dated November 15, 2010, or as any Executive Officer shall otherwise determine to be in the best interests of the Authority and to fund the cost of capital improvements of the Wastewater System in an amount determined by any Executive Officer not to exceed \$1,100,000,000, (ii) pay costs, expenses and fees in connection with (1) such replacement of those certain Bond Bank Bonds and District Bonds selected by any Executive Officer, (2) funding of capital improvements, (3) the purchase of the Wastewater System and (4) the authorization, issuance, sale and delivery of the Series 2011 First Lien Bonds (and the security therefor, including any Credit Facility, Liquidity Facility or debt service reserve surety), and (iii) fund a debt service reserve for the Series 2011 First Lien Bonds, if required or advisable, as determined by an Executive Officer. The Series 2011 First Lien Bonds shall bear interest at an initial rate or at one or more initial interest rates not to exceed seven percent (7%) per annum, calculated and determined as provided in the First Lien Trust Indenture. The Series 2011 First Lien Bonds shall be issued as serial bonds and/or term bonds, maturing not later than December 31, 2052. The Series 2011 First Lien Bonds shall be subject to mandatory sinking fund redemption and/or redemption at the option of the Authority Board prior to their stated maturity, in the manner determined by an Executive Officer, as provided in the Series 2011 First Lien Supplemental Indenture. The Privately Sold First Lien Bonds will bear interest fixed to the maturity dates of the

Privately Sold First Lien Bonds. Any Executive Officer is authorized to determine whether the Publicly Sold First Lien Bonds (or any portion thereof) will bear interest fixed to the maturity dates of such Publicly Sold First Lien Bonds or whether such Publicly Sold First Lien Bonds (or any portion thereof) will be sold with a Put, in which case such Executive Officer shall be authorized to determine the Put Date with respect to such Put. The Publicly Sold First Lien Bonds shall be offered by the Official Statement for the Publicly Sold First Lien Bonds and either sold to the Purchaser pursuant to the Contract of Purchase for such Publicly Sold First Lien Bonds at a discount of not to exceed one percent (1%) of the aggregate principal amount of the Publicly Sold First Lien Bonds (excluding original issue discount or premium) or sold pursuant to the provisions of Indiana Code 5-1-11. The Privately Sold First Lien Bonds will be sold pursuant to the terms of the Financial Assistance Agreement. The Series 2011 First Lien Bonds shall be secured by the First Lien Trust Indenture. Any Executive Officer is authorized to determine whether to secure or obtain a Credit Facility in connection with the sale of the Series 2011 First Lien Bonds, select the Credit Facility Provider and approve the form of the Credit Facility Agreement. Any Executive Officer is authorized to determine whether to secure or obtain a Liquidity Facility in connection with the sale of any Publicly Sold First Lien Bonds sold with a Put, select the Liquidity Facility Provider and approve the form of the Liquidity Facility Agreement. Proceeds of the sale of the Series 2011 First Lien Bonds shall be applied in accordance with the First Lien Trust Indenture for the purposes described therein. Notwithstanding anything in this Resolution to the contrary, the Authority may issue the Series 2011 First Lien Bonds in more than one series, designated as provided in the First Lien Trust Indenture.

SECTION 5. SERIES 2011 SECOND LIEN BONDS. The Authority Board authorizes any Executive Officer to approve the issuance, execution, sale and delivery of the Series 2011 Second Lien Bonds, subject to the further provisions of this Section 5 and pursuant to the Acts, by and on behalf of the Authority. The Authority shall issue the Series 2011 Second Lien Bonds in an aggregate principal amount not to exceed \$450,000,000 and sufficient to (i) pay the Purchase Price (as defined in the APA) subject to the terms and conditions of the APA, (ii) fund working capital needs of the Wastewater System, (iii) pay costs, expenses and fees in connection with (1) the purchase of the Wastewater System, (2) the funding of working capital needs of the Wastewater System and (3) the authorization, issuance, sale and delivery of the Series 2011 Second Lien Bonds (and the security therefor, including any Credit Facility, Liquidity Facility or debt service reserve surety), and (iv) fund a debt service reserve for the Series 2011 Second Lien Bonds, if required or advisable, as determined by an Executive Officer. The Series 2011 Second Lien Bonds shall bear interest at an initial rate or at one or more initial interest rates not to exceed seven percent (7%) per annum, calculated and determined as provided in the Second Lien Trust Indenture. The Series 2011 Second Lien Bonds shall be issued as serial bonds and/or term bonds, maturing not later than December 31, 2052. The Series 2011 First Lien Bonds shall be subject to mandatory sinking fund redemption and/or redemption at the option of the Authority Board prior to their stated maturity, in the manner determined by an Executive Officer, as provided in the Series 2011 Second Lien Supplemental Indenture. Any Executive Officer is authorized to determine whether the Series 2011 Second Lien Bonds (or any portion thereof) will bear interest fixed to the maturity dates of the Series 2011 Second Lien Bonds or whether the Series 2011 Second Lien Bonds (or any portion thereof) will be sold with a Put, in which case such Executive Officer shall be authorized to determine the Put Date with respect to such Put. The Series 2011 Second Lien Bonds shall be offered by the Official Statement for the Series 2011 Second Lien Bonds and either sold to the Purchaser pursuant to the Contract of Purchase for the Series 2011 Second Lien Bonds at a discount of not to exceed one percent (1%) of the aggregate principal amount of the Series 2011 Second Lien Bonds (excluding original issue discount or premium) or sold pursuant to the provisions of Indiana Code 5-1-11. The Series 2011 Second Lien Bonds shall be secured by the Second Lien Trust Indenture. Any Executive Officer is authorized to determine whether to secure or obtain a Credit Facility or Liquidity Facility in connection with the sale of any Series 2011 Second Lien Bonds sold with a Put, select the Credit Facility Provider and the Liquidity Facility Provider and approve the forms of the Credit Facility Agreement

and the Liquidity Facility Agreement. Proceeds of the sale of the Series 2011 Second Lien Bonds shall be applied in accordance with the Second Lien Trust Indenture. Notwithstanding anything in this Resolution to the contrary, the Board may issue the Series 2011 Second Lien Bonds in more than one series, designated as provided in the Second Lien Trust Indenture.

SECTION 6. SUBORDINATE SECURITIES. Any certificates of indebtedness or revenue obligations issued pursuant to Indiana Code 8-1-11.1-23 shall be executed by the President and Secretary of the Authority Board. Any certificates of indebtedness or revenue obligations issued pursuant to Indiana Code 8-1-11.1-8 shall be executed by the Mayor of the City and the City Controller of the City. Any such certificates of indebtedness or revenue obligations issued to meet the working capital or capital project needs of the Wastewater System shall be payable from the Net Revenues of the Wastewater System and Pledged Funds on a subordinate basis to the Series 2011 Bonds.

SECTION 7. DOCUMENTS, EXECUTION, DELIVERY. The Bond Documents are approved by and on behalf of the Authority substantially in the forms presented to this meeting, with such changes to such documents as may be subsequently approved by and on behalf of the Authority Board by any Executive Officer. No further approval of the Board is required with respect to the Bond Documents. Any Executive Officer and the Secretary or the Assistant Secretary of the Authority Board are authorized and directed to complete, execute and deliver the Bond Documents, by and on behalf of the Authority, as contemplated by this Resolution and the Acts. Approval of any such changes and completion of the documents shall be evidenced by their execution and delivery. The Mayor, City Controller and City Clerk of the City are authorized to execute and deliver the Series 2011 Bonds, Subordinate Securities (as applicable) and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Series 2011 Bonds and the Subordinate Securities.

SECTION 8. DEVELOPMENT OF ADDITIONAL DOCUMENTS. The Authority Board authorizes and directs the Chief Financial Officer and Assistant Treasurer and the General Counsel of the Authority, by and on behalf of the Authority, with the advice of bond counsel, to develop the form and content of the Official Statement, the Continuing Disclosure Undertaking Agreements, any line of credit agreement, certificates of indebtedness or revenue obligations issued or entered into to meet the working capital or capital project needs of the Wastewater System and any document related thereto so that such documents may be presented to the Authority Board for approval.

SECTION 9. FURTHER ACTS. Any Executive Officer is authorized and directed by and on behalf of the Authority to do any and all further acts by and on behalf of the Authority, to execute any and all further agreements, certificates, contracts, documents or papers and to publish any such notice or notices appropriate, desirable or necessary in connection with the Transactions, including the execution and delivery of the Bond Documents and any agreements which may be required by the IFA in connection with the replacement of the Bond Bank Bonds and the District Bonds selected by an Authorized Officer as provided in Section 4 hereof and assisting the IFA in the sale of the bonds issued by the IFA to purchase the Privately Sold First Lien Bonds. Any Executive Officer is authorized and directed to make, for and on behalf of the Authority, each of the findings required to be made by the Master Trust Indentures, Series 2011 Supplemental Indentures and Subordinate Securities in advance of, or in connection with, the issuance and sale of the Series 2011 Bonds and Subordinate Securities.

SECTION 10. CREDIT FACILITY AND LIQUIDITY FACILITY. Any Executive Officer is authorized to secure and obtain a Credit Facility for the Series 2011 Bonds (or any portion thereof) and a Liquidity Facility for the Publicly Sold First Lien Bonds (or any portion thereof) and the Series 2011 Second Lien Bonds (or any portion thereof) and is authorized to make such determinations and to execute such documents or agreements as are required in connection therewith.

SECTION 11. APPROVALS. (a) Any Executive Officer is authorized and directed by and on behalf of the Authority to:

(i) approve the commitment for a Liquidity Facility and Liquidity Facility Agreement for the Publicly Sold First Lien Bonds (or any portion thereof) and/or the Series 2011 Second Lien Bonds (or any portion thereof) with a Liquidity Provider, which Liquidity Facility Agreement or the terms and conditions thereof, may be incorporated into the First Lien Trust Indenture or Second Lien Trust Indenture or any other supplement or amendment to such indentures (which such Executive Officer is authorized and directed to execute and deliver) as appropriate. Any Executive Officer is authorized to apply the proceeds of the Publicly Sold First Lien Bonds or Series 2011 Second Lien Bonds, as applicable, or any Net Revenues of the Wastewater System as contemplated by the First Lien Trust Indenture or Second Lien Trust Indenture, as applicable, to payments due in connection with any such Liquidity Facility;

(ii) approve the commitment for a Credit Facility and Credit Facility Agreement with a Credit Provider, which Credit Facility Agreement or the terms and conditions thereof, may be incorporated into the First Lien Trust Indenture and Second Lien Trust Indenture or any other supplement or amendment to such indentures (which such Executive Officer is authorized and directed to execute and deliver) as appropriate. Any Executive Officer is authorized to apply the proceeds of the Series 2011 First Lien Bonds or Series 2011 Second Lien Bonds, as applicable, or any Net Revenues of the Wastewater System as contemplated by the First Lien Trust Indenture or Second Lien Trust Indenture, as applicable, to payments due in connection with any such Credit Facility; and

(iii) select and approve the Remarketing Agent with respect to a Put Date.

(b) All approvals and selections authorized and directed by this Section 11 shall be evidenced by the execution and delivery of the applicable documents described herein.

SECTION 12. APPOINTMENTS; UNDERWRITERS. (a) In connection with the Transactions, the Authority Board ratifies and confirms the appointment or retention by and on behalf of the Authority of Hackman Hulett & Cracraft, LLP as special counsel and Ice Miller LLP, as bond counsel and special counsel; and Morgan Stanley & Co. Incorporated, as representative for the underwriters of the Publicly Sold First Lien Bonds and the Series 2011 Second Lien Bonds, to the extent such bonds are subject to a negotiated sale. Any Executive Officer is authorized and directed by and on behalf of the Authority to apply proceeds of the sale of the Series 2011 Bonds to their compensation, disbursements and expenses.

(b) Any Executive Officer is authorized and directed by and on behalf of the Authority to name additional underwriters of the Publicly Sold First Lien Bonds and the Series 2011 Second Lien Bonds if appointment of additional underwriters is desirable in connection with the offering of the Publicly Sold First Lien Bonds and the Series 2011 Second Lien Bonds, and insert the names of such underwriters in the appropriate Contract of Purchase and Official Statement.

SECTION 13. DEBT SERVICE RESERVE. If a debt service reserve is required for the Series 2011 First Lien Bonds and/or the Series 2011 Second Lien Bonds pursuant to the provisions of the First Lien Trust Indenture and/or the Second Lien Trust Indenture, such reserve may be funded from proceeds of the Series 2011 First Lien Bonds or the Series 2011 Second Lien Bonds, as applicable, or in lieu of using such proceeds, any Executive Officer is authorized and directed by and on behalf of the Authority to enter into a surety or guaranty agreement providing for the funding of such a reserve or reserves with a document or instrument such as a surety bond or letter of credit and any Executive Officer is further authorized and directed to use proceeds of the sale of the Series 2011 First Lien Bonds or the Series 2011 Second Lien Bonds, as applicable, or the income and revenues of the Wastewater

System as contemplated in the First Lien Trust Indenture or Second Lien Trust Indenture, as applicable, to pay for such document or instrument, including costs and expenses in connection therewith.

SECTION 14. FINDINGS. The findings made by the Bond Documents, with such changes as are necessary to accommodate the issuance of the Series 2011 Bonds and the Subordinate Securities, are incorporated into this Resolution by this reference, and are made by the Authority Board for and on behalf of the Authority as if set forth in this Section 14.


SECTION 15. SEVERABILITY. If any provision (or any portion thereof) of this Resolution is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate any other provision (or any portion thereof) of this Resolution, all of which remaining provisions (or any portions thereof) shall be liberally construed to effect the purposes of this Resolution and the Transactions.

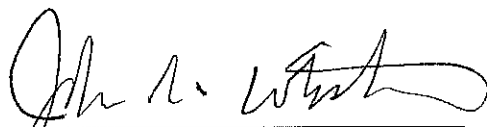
SECTION 16. EFFECTIVE DATE. This Resolution will be effective immediately upon its passage by the Authority Board.

ADOPTED AND APPROVED this 13th day of April, 2011.
(CWA4-2011)

Mr. Brehm reported on discussions with the Indiana Advance Authority regarding \$412 million of revenue bonds on the wastewater system it currently holds. Mr. Brehm also reported that Citizens would soon make presentations to the ratings agencies regarding the wastewater system. He said decisions from the ratings agencies regarding debt ratings would not come until shortly before closing.

There being no further business, the meeting adjourned at 10:30 a.m. EST.


Martha D. Lamkin, Chairman


John R. Whitaker, Assistant Secretary