Passed: 7-0

ORDINANCE 98-16

AN ORDINANCE OF THE CITY OF BLOOMINGTON, INDIANA, AUTHORIZING THE ISSUANCE AND SALE OF BONDS OF THE CITY FOR THE PURPOSE OF PROVIDING FUNDS TO BE USED FOR CERTAIN TRANSPORTATION PROJECTS AND RELATED INCIDENTAL EXPENSES (Transportation 2000 Infrastructure Initiative)

WHEREAS, the City of Bloomington, Indiana (the "City") is authorized by IC 36-4-6-19 as in effect on the date of delivery of the bonds authorized herein (the "Act") to issue bonds to procure moneys to be used in the exercise of the powers of the City and for the payment of City debts; and

WHEREAS, the Common Council of the City (the "Council"), now determines that it is necessary to (i) expand the major north-south corridor of College Mall Road, including several intersection upgrades and (ii) realign a 90-degree turn and an intersection in the southeast corridor located at the High/Rogers/Winslow intersection to improve traffic flow through rapidly developing residential areas and provide improved community access to an elementary school and to the new middle school and park under construction, and (iii) to the extent that proceeds of the hereinafter described bonds are available after the projects described above are provided for, the City may use bond proceeds or investment earnings thereon for (a) an upgrade of West Second Street to four lanes from College Avenue to State Road 37, (b) reconstruction and widening of the western portion of Tapp Road between State Road 37 and the City's southern retail and residential areas, or (c) any other project authorized pursuant to IC 5-1-13 (collectively, the "Projects"); and

WHEREAS, based upon the advice of the engineering firm retained by the City to design the Projects, the Council has determined that the estimated cost of the Projects and the incidental expenses necessary to be incurred in connection with the Projects and with the issuance of the bonds to finance the Projects will be in an amount not to exceed Seven Million Seven Hundred Fifty Thousand Dollars ($7,750,000); and

WHEREAS, the Council finds that there are not sufficient funds available or provided for in existing tax levies with which to pay the cost of the Projects and all expenses incidental thereto, and that the City should issue bonds in an amount not to exceed Seven Million Seven Hundred Fifty Thousand Dollars ($7,750,000) for the purpose of providing funds to be applied to the Projects, and that the bonds in such amount should now be authorized; and

WHEREAS, the net assessed valuation of taxable property in the City, as shown in the last final and complete assessment which was made in the year 1997 for state and county taxes collectible in the year 1998 is $450,268,002.00 and there is $3,055,000.00 of outstanding indebtedness of the City (excluding the bonds authorized hereby); such assessment and outstanding indebtedness amounts shall be verified at the time of the payment for and delivery of the bonds;

WHEREAS, the Common Council has been advised that the purchase of municipal bond insurance may be cost efficient; and

WHEREAS, the City has published notice of a preliminary determination hearing in the *Bloomington Herald-Times* and mailed such notice to any organizations requesting such notice as provided in Indiana Code 6-1.1-20-3.1; and

WHEREAS, a preliminary determination hearing has been held in accordance with that notice and Indiana Code 6-1.1-20-3.1;

NOW THEREFORE BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, THAT:

SECTION 1. Determination to Proceed; Authorization and Details of Bonds.

(a) The City shall proceed to undertake the acquisition and construction of the Projects.

(b) In order to procure funds with which to pay the costs of the Projects, to fund capitalized interest, and to pay costs of issuance of the bonds, including a municipal bond insurance premium, the Controller is authorized and directed to have prepared and to issue and sell the bonds of the City of Bloomington, Indiana, to be designated as "General Obligation Bonds of 1998", in an aggregate principal amount not to exceed $7,750,000 (the "Bonds") in accordance with the Act.

(c) The Bonds shall be sold at a price of not less than 98% of the par value thereof, and issued in fully registered form in denominations of $5,000 or integral multiples thereof, numbered consecutively from 1 upward, dated as of the first day of the month in which they are sold and shall bear interest at a rate or rates not exceeding eight percent (8%) per annum (the exact rate or rates to be determined by bidding), which interest shall be payable semiannually on January 1 and July 1 of each year, commencing on the January 1 or July 1 following delivery of the Bonds as designated by the Controller, with the advice of the City's financial advisor. The Bonds shall mature annually, or shall be subject to mandatory sinking fund redemption if term bonds are issued, on January 1 of each year with a final maturity no later than January 1, 2018 and in such amounts which will produce as level annual debt service as practicable with $5,000 denominations.

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

(d) The Controller is authorized and directed to appoint a qualified banking institution to serve as Registrar and Paying Agent ("Registrar" or "Paying Agent") for the Bonds, which shall be charged with the responsibility of authenticating the Bonds. The Controller is hereby authorized to enter into such agreements or understandings with such bank as will enable the bank to perform the services required of a Registrar and Paying Agent. The Controller is further authorized to pay such fees as the bank may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the bond fund established to pay the principal of and interest on the Bonds. Upon agreement between the City and the successful bidder for the Bonds, the Controller may be designated as the Registrar and Paying Agent, and, in that case, shall be charged with all responsibilities of a Registrar and Paying Agent.

(e) The principal of the Bonds shall be payable at the principal corporate trust office of the Paying Agent. Interest on the Bonds shall be paid by check mailed by first class mail one business day prior to the interest payment date to the registered owner, as of the fifteenth day immediately preceding the interest payment date (the "Record Date"), to 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 such 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 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). All payments on the Bonds shall be made in any lawful money 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.

(f) Each Bond shall be transferable or exchangeable only upon the books of the City of Bloomington kept for that purpose at the principal corporate trust office of the Registrar by the registered owner 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 City, 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.

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

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

No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the City to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The City 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 City'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 City 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 ordinance 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 City to the Depository Trust Company.

Upon receipt by the City 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 City 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 ordinance.

If the City determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the City 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 City and the Registrar to do so, the Registrar and the City will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

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

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

So long as said Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the City 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 ordinance and the City 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.

(h) The Bonds shall bear an original date which shall be the first day of the month in which the Bonds are sold and each Bond shall also bear the date of its authentication. Bonds authenticated on or before the Record Date immediately preceding the first interest payment date shall be paid interest from the original date. Bonds authenticated thereafter shall be paid interest from the interest payment date to which interest has been paid next preceding the date of authentication of such Bonds unless the Bonds are authenticated after the Record Date and on or before the corresponding interest payment date, in which case interest thereon shall be paid from such interest payment date. If at the time of authentication of any Bond interest is in default thereon, that Bond shall bear interest from the date to which interest has been paid in full.

(i) The Bonds shall be signed in the name of the City of Bloomington by the manual or facsimile signature of the Mayor, countersigned by the Controller and the seal of the City shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Clerk. The Bonds shall be authenticated with the manual signature of an authorized representative of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon shall have been so executed. Subject to registration provisions, the Bonds shall be negotiable under the laws of the State of Indiana.

(j) The Bonds are redeemable at the option of the City, but no earlier than January 1, 2005, or on any date thereafter on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the City and within any maturity by lot, at face value, together with a premium no greater than 1% plus, in each case, accrued interest to the date fixed for redemption. The exact

redemption features of the Bonds shall be established by the Controller, with the advice of the City's financial advisor, and shall be set forth in the notice of sale for the Bonds.

Any Bonds issued as term bonds, upon election of the successful bidder, shall be subject to mandatory sinking fund redemption on January 1 at 100% of face value in accordance with the maturity schedule hereinafter determined in accordance with paragraph (c). The Registrar shall credit against the mandatory sinking fund requirement for any term bonds, and any corresponding mandatory redemption obligation, in the order determined by the City, any term bonds maturing on the same date 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 City and not theretofore applied as a credit against any redemption obligation. Each term bond so delivered or canceled shall be credited by the Registrar at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date for that term bond. Any excess of such amount shall be credited on future redemption obligations, and the principal amount of that term bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced.

Each Five Thousand Dollars ($5,000) principal amount shall be considered a separate Bond for purposes of redemption. If less than an entire maturity is called for redemption, the Bonds to be redeemed 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.

In either case, notice of redemption shall be mailed to the address of the registered owner as shown on the registration records of the Registrar, as of the date which is forty-five (45) days prior to the date fixed for redemption, not less than thirty (30) days prior to such redemption date, unless notice is waived by the owner of the Bond or Bonds redeemed. 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 City. Interest on the Bonds so called for redemption shall cease and the Bonds will no longer be deemed outstanding under this ordinance on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price, including accrued interest and redemption premium, if any, to the redemption date, on the date so named. Failure to give such notice by mailing, or any defect in such notice, with respect to any Bond shall not affect the validity of any proceedings for redemption of other Bonds.

If the Bonds are not presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, including accrued interest to the date of such payment or redemption, and thereafter the registered owner shall look only to the funds so deposited in trust with the Paying Agent for payment, and the City shall have no further obligation or liability in respect thereto.

SECTION 2. Form of Bond. The form of the Bonds shall be substantially as follows:

STATE OF INDIANA
COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

GENERAL OBLIGATION BOND OF 1998

INTEREST RATE	MATURITY DATE	ORIGINAL DATE	AUTHENTICATION DATE	CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Bloomington in Monroe County, Indiana, acknowledges itself indebted, and for value received hereby promises to pay, to the Registered Owner or registered assigns, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon until the City's obligation with respect to the payment of the Principal Sum shall be discharged at the rate per annum specified above from the interest payment date immediately preceding the date of authentication of this bond unless this bond is authenticated on or before____ 15, 199_, in which case interest shall be paid from the Original Date or unless this bond is authenticated between the fifteenth day of the month preceding an interest payment date and the interest payment date, in which case interest shall be paid from such interest payment date. Interest shall be payable on the first days of January and July of each year, commencing _____ 1, 199_.

The principal of and premium, if any, on this bond are payable at the principal office of _____ in the _____ of _____, Indiana (the "Paying Agent" or "Registrar"). Interest on this bond shall be paid by check mailed by first class mail one business day prior to the interest payment date, to the Registered Owner, as of the fifteenth day immediately preceding the interest payment date, to 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 this 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.

The full faith and credit of the City of Bloomington, Indiana, are hereby irrevocably pledged to the punctual payment of the principal of and the interest on this bond according to its terms. The City covenants that it will cause a property tax for the payment of the principal of and interest on this bond to be levied, collected, appropriated and applied for that purpose as set forth in IC 6-1.1-18.5-8.

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

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

It is hereby certified, recited and declared that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law; that this bond and the total issue of the bonds is within every limit of indebtedness as prescribed by the constitution and laws of the State of Indiana.

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

IN WITNESS WHEREOF, the City of Bloomington in Monroe County, Indiana, has caused this bond to be executed by the manual or facsimile signature of

its Mayor, countersigned by the manual or facsimile signature of the Controller, the seal of the City or a facsimile thereof to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of the Clerk.

CITY OF BLOOMINGTON, INDIANA

By:_____
Mayor

(SEAL)

Countersigned:

By:_____
Controller

ATTEST:

_____
Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Ordinance.

_____,
as Registrar

By:_____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the City of Bloomington, Indiana, designated "General Obligation Bonds of 1998" aggregating _____ Dollars ($_____); numbered consecutively from 1 upward; issued for the purpose of procuring funds to be used for certain transportation projects, funding capitalized interest, and the incidental expenses in connection therewith and on account of the issuance of bonds therefor [,including a municipal bond insurance premium,] which bonds are issued pursuant to a Bond Ordinance adopted by the Common Council of the City of Bloomington, Indiana, on the ___ day of _____, 1998 ("Ordinance"), authorizing the issuance and sale of bonds of the City and Title 36, Article 4, Chapter 6, Section 19 of the Indiana Code as in effect on the date of issuance of this bond.

This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the Registered Owner 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 City, the Registrar and the 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 of this issue maturing on January 1, ____, and thereafter, are redeemable at the option of the City on _____ 1, ____, or on any date thereafter on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the City and by lot within a maturity, at face value, together with the following premiums:

_% if redeemed on _____ 1, ____,
or thereafter on or before _____, ____;
_% if redeemed on _____ 1, ____,
or thereafter on or before _____, ____;
_% if redeemed on _____ 1, ____,
or thereafter prior to maturity;

plus, in each case, accrued interest to the date fixed for redemption.

[The bonds maturing on January 1, ___ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on January 1 in the years and amounts set forth below:

Year	Amount
*	

* Final Maturity]

Each Five Thousand Dollars ($5,000) principal amount shall be considered a separate bond for purposes of redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed 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.]

In either case, notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the Registrar, as of the date which is forty-five (45) days prior to the date fixed for redemption, not less than thirty (30) days prior to such redemption date, unless said notice is waived by the registered owner of this bond. Any 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 City. 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, including interest accrued to the redemption date, on the date so named. Failure to give such notice by mailing, or any defect in such notice, with respect to any bond shall not affect the validity of any proceedings for redemption of other bonds.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such bond or the redemption price, as the case may be, including accrued interest to the date of such payment or redemption, and thereafter the registered owner shall look only to the funds so deposited in trust with that bank for payment, and the City shall have no further obligation or liability in respect thereto.

THE OWNER OF THIS BOND, BY THE ACCEPTANCE OF THIS BOND HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The bonds are subject to defeasance prior to redemption or

payment as provided in the Ordinance. The Ordinance may be amended without the consent of the owners of the bonds as provided in the Ordinance if the Common Council determines in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the bonds.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of $5,000 or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

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 3. Sale of Bonds. Prior to the sale of the Bonds, the Controller shall cause to be published either (i) a notice of such sale two (2) times at least one (1) week apart in the *Bloomington Herald-Times*, the only newspaper published and having general circulation in the City of Bloomington, with the first publication occurring at least fifteen (15) days prior to the sale date and the second publication occurring at least three (3) days prior to the sale date, or (ii) a notice of intent to sell bonds in the *Court & Commercial Record* and the *Bloomington Herald-Times*, all in accordance with IC 5-1-11 and IC 5-3-1. A notice or summary notice of sale may be published in the *Court & Commercial Record* or *The Bond Buyer*, financial journals published in the City of Indianapolis and in the City and State of New York, respectively, in the discretion of the Controller. The Common Council hereby authorizes and approves the publication of such notice which states the purpose for which the Bonds are being issued, the total amount of the Bonds, the maximum rate of interest on the Bonds, the time and place of payment, the terms and conditions on which bids will be received and the sale made, and such other information as the Controller, upon advice of counsel, deem necessary. The notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a financial surety bond to guarantee performance on the part of the bidder. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State of Indiana, and such bond must be submitted to the City prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit to the City a certified or cashier's check (or wire transfer such amount as instructed by the City) not later than 3:30 p.m. (Bloomington 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 check and the proceeds thereof shall become the property of the City and shall be considered as its liquidated damages on account of such default.

All bids for the Bonds shall be sealed and shall be presented to the Controller at his office, and the Controller shall continue to receive all bids offered until the hour on the day fixed in the notice, at which time and place he shall open and consider the bids. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding eight percent (8%) 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) or one-twentieth (1/20) of one percent (1%). The rate bid on any maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. The Controller shall award the Bonds to the highest responsible and qualified bidder. The highest bidder shall be the one who offers the lowest net interest cost to the City, determined by computing the total interest on all of the Bonds to the maturities and adding thereto the discount bid, if any, and deducting therefrom the premium bid, if any. The Controller shall have full right to reject any and all bids. If no acceptable bid is received at the time fixed in the notice for sale of the Bonds, the Controller shall be authorized to continue to receive bids from day to day thereafter for a period not to exceed thirty (30) days, without readvertising, but during such continuation, no bid shall be accepted which offers a net interest cost which is equal to or higher than the best bid received at the time fixed for such sale in the notice. No conditional bid or bid for less than all of the Bonds will be considered.

Prior to the delivery of the Bonds, the Controller shall obtain a legal opinion as to the validity of the Bonds from Ice Miller Donadio & Ryan, bond counsel, of Indianapolis, Indiana, and shall furnish this opinion to the purchaser of the Bonds. The cost of this opinion shall be considered as part of the costs incidental to these proceedings and may be paid out of proceeds of the Bonds.

SECTION 4. Preparation of Bonds; Official Statement; Municipal Bond Insurance. The Clerk is hereby authorized and directed to have the Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute the Bonds in the form and manner provided in this ordinance.

(a) Distribution of an Official Statement (preliminary and final) for the Bonds, prepared by Municipal Consultants, on behalf of the City, is hereby authorized and approved and the Mayor, Controller or Clerk is authorized to execute the Official Statement on behalf of the City in a form consistent with this ordinance. The Mayor, Controller or Clerk is hereby authorized to designate the Official Statement as "nearly final" for purposes of Rule 15c2-12 as promulgated by the Securities and Exchange Commission.

(b) In the event the financial advisor to the City certifies to the City that it would be economically advantageous for the City to acquire a municipal bond insurance policy for the Bonds, the City hereby authorizes and directs the Mayor, Controller and Clerk to obtain 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 cost 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.

SECTION 5. Continuing Disclosure. The substantially final form of Continuing Disclosure Undertaking Agreement (the "Agreement") attached hereto is hereby authorized and approved by the Common Council, and the Mayor, Controller or Clerk is hereby authorized and directed to complete, execute and attest the same on behalf of the City. Notwithstanding any other provisions of this ordinance, failure of the City to comply with the Agreement shall not be considered an event of default under the Bonds or this ordinance.

SECTION 6. Defeasance. If, when the Bonds or any portion thereof 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 a 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 then outstanding or any portion thereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or 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 taxes to be levied upon all taxable property in the City.

SECTION 7. Deposit and Application of Bond Proceeds; Surplus to Bond Fund. Any accrued interest and capitalized interest for the Bonds shall be deposited into the bond fund and used to pay interest on the Bonds. The Controller is hereby authorized and directed to deposit the remaining proceeds of the Bonds in a separate fund ("Bond Proceeds Fund") to pay for: (1) the cost of the Projects and all other costs and expenses incurred in connection with the Projects; and (2) costs of issuance of the Bonds. Except as described in this Section, the Bond Proceeds Fund may not be used for any other purpose. The Bond Proceeds Fund shall, in accordance with IC 5-13, be deposited, at interest, with the depository or depositories of other public funds of the City, and all interest collected on it belongs to the fund. Any surplus remaining from the proceeds of the Bonds after all costs and expenses are fully paid shall, in accordance with IC 5-1-13, either be paid into and become a part of the City's bond fund for the Bonds; or, at the direction of the Common Council be used by the City for the same purpose or type of projects for which the Bonds were originally issued.

SECTION 8. Covenant to Levy Tax. The full faith and credit of the City of Bloomington, Indiana, are hereby irrevocably pledged to the punctual payment of the principal of and the interest on the Bonds according to their terms. In order to provide for the payment of the principal of and interest on the Bonds, there shall be levied in each year upon all taxable property in the City, real and personal, and collected a tax in an amount and in such manner sufficient to meet and pay the principal of and interest on the Bonds as they become due and the proceeds of this tax are hereby pledged solely to the payment of the Bonds. Such tax proceeds shall be deposited into a separate bond fund and used to pay the principal of and interest on the Bonds, when due, together with any fiscal agency charges.

SECTION 9. Tax Covenants and Representations. In order to preserve the exclusion of interest on the Bonds 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 and the Regulations in effect and applicable to the Bonds on the date of issuance of the Bonds (collectively, "Code") and as an inducement to purchasers of the Bonds, the Common Council represents, covenants and agrees that:

(a) The Projects 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 n a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or property financed by the Bond proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond 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. If the City enters into a management contract for any of the Projects, the terms of the contract will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds.

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the Bonds, this ordinance 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 City) 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 proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds 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.

(e) No more than 5% of the proceeds of the Bonds 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 governmental 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 City will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds to be treated as private activity bonds under Section 141 of the Code.

(g) It shall be not an event of default under this ordinance if the interest on any Bond 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.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds.

(i) The City represents that it will rebate any arbitrage profits to the United States of America in accordance with the Code.

(j) Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance ("Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law ("Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that compliance with any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 10. Debt Limit Not Exceeded. The City represents and covenants that the Bonds herein authorized, when combined with other outstanding indebtedness of the City, will not exceed any applicable constitutional or statutory limitation on the City's indebtedness.

SECTION 11. Approval by State Board of Tax Commissioners. The Bonds shall not be issued and delivered until orders have been obtained from the State Board of Tax Commissioners pursuant to IC 6-1.1-18.5-8 and, if necessary, IC 6-1.1-20-7.

SECTION 12. Severability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 13. Repeal of Conflicting Provisions. All ordinances, or parts thereof, in conflict with the provisions of this ordinance, are, to the extent of such conflict, hereby repealed or amended.

SECTION 14. Amendments to Ordinance. This ordinance may, from time to time hereafter, be amended without the consent of the owners of the Bonds, if in the sole discretion of the Common Council, such amendment shall not adversely affect the rights of the owners of any of the Bonds.

SECTION 15. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and signing by the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 20 day of May, 1998.

TIMOTHY MAYER, President
Bloomington Common Council

ATTEST:

PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 21st day of May, 1998.

PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 25 day of May, 1998.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the issuance and sale of bonds of the City to finance expansion of the College Mall north-south corridor, realignment of the 90-degree turn and intersection in the southeast corridor at High/Rogers/Winslow and, if sufficient funds remain, to upgrade West Second Street to four lanes from College Avenue to State Road 37, to widen the western portion of Tapp Road between State Road 37 and the City's southern retail and residential areas, and for any other authorized project, and to pay the costs associated with issuance of the bonds. The ordinance contains the particulars as to bond form and other matters related to the sale of the bonds.

Signed copies to:
Controller - 3
Legal