Passed 9-0

ORDINANCE 10-18

AUTHORIZING THE CITY OF BLOOMINGTON, INDIANA, TO ISSUE ITS ECONOMIC DEVELOPMENT RECOVERY ZONE FACILITY REVENUE BONDS, SERIES 2010 ("BLOOMINGTON DYSLEXIA CENTER LLC") IN THE PRINCIPAL AMOUNT NOT IN EXCESS OF TWO MILLION ONE HUNDRED THOUSAND DOLLARS ($2,100,000), AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, Indiana Code, Title 36, Article 7, Chapter 12 (the "Act"), has been enacted by the General Assembly of Indiana; and

WHEREAS, the Act declares that the financing and refinancing of economic development facilities constitutes a public purpose; and

WHEREAS, the Act provides that an issuer may, pursuant to the Act, issue revenue bonds and lend the proceeds thereof to a corporation, partnership or individual for the purpose of financing costs of acquisition or construction of economic development facilities, including real and personal property; and

WHEREAS, the Act provides that such bonds may be secured by a trust indenture between the Issuer and a corporate trustee; and

WHEREAS, the Board of Commissioners of Monroe County, Indiana, on October 9, 2009, adopted Resolution No. 2009-29, establishing all of Monroe County, Indiana as a "recovery zone" within the meaning of §1400 of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"); and

WHEREAS, on July 16, 2010, the Board of County Commissioners adopted Resolution No. 2010-25 allocating $2,100,000 of the County's allocation of recovery zone facility bonds to The Pinnacle School, through Bloomington Dyslexia Center LLC, an Indiana Limited Liability Company ("Company"), and The DePaul Reading and Learning Association, Inc., and Indiana not-for-profit corporation; and

WHEREAS, the City of Bloomington, Indiana (the "Issuer") intends to issue its Economic Development Recovery Zone Facility Revenue Bonds, Series 2010 ("Bloomington Dyslexia Center LLC Project") in the principal amount not to exceed Two Million One Hundred Thousand Dollars ($2,100,000) (the "Bond") pursuant to a Trust Indenture and Mortgage dated as of November 1, 2010 (the "Indenture") between the Issuer, and a corporate trustee to be selected, in order to obtain funds to lend to the Company pursuant to the Loan Agreement (the "Loan Agreement") between the Issuer and the Company dated as of December 1, 2010 (the "Loan Agreement"); and pursuant to a Purchase Agreement to be dated the date of closing among the Issuer, the Company and a financial institution or other entity purchasing the Bonds (the "Bond Purchaser"), (the "Purchase Agreement"); for the purpose of paying the costs of developing a 6.3 acre campus for the Pinnacle School, serving families with dyslexia and related learning differences (the "Project"); and

WHEREAS, the Loan Agreement provides for the repayment by the Company of the loan of the proceeds of the Bonds and further provides for the Company's repayment obligation to be evidenced by the Company's Promissory Note (the "Note") in the principal amount equal to the principal amount of the Bonds; and

WHEREAS, pursuant to the Indenture, the Issuer will endorse the Note without recourse and assign to the Bond Purchaser certain of its rights under the Loan Agreement as security for the Bond which is payable solely and only out of the payments to be made by the Company with respect to the Note; and

WHEREAS, the City of Bloomington Economic Development Commission on October 22, 2010 adopted a Resolution which has been previously transmitted hereto, finding that the financing of the Project complies with the purposes and provisions of the

Act and that such financing will be of benefit to the health or general welfare of the Issuer and its citizens; and

WHEREAS, the City of Bloomington Economic Development Commission has approved the final forms of the 1) Indenture; 2) Loan Agreement; 3) the Note; and 4) the form of the Bonds (hereinafter referred to collectively as the "(Financing Documents") by Resolution adopted November __, 2010, which Resolution has been transmitted hereto;

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

SECTION 1. It is hereby found that the financing of the economic development facilities referred to in the Financing Documents consisting of the Project previously approved by the City of Bloomington Economic Development Commission now presented to this Common Council, the issuance and sale of the Bonds, the loan of the net proceeds thereof to the Company for the purposes of completion of the Project, and the repayment of said loan by the Company will be of benefit to the health or general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act.

SECTION 2. The forms of the Financing Documents approved by the City of Bloomington Economic Development Commission are hereby approved, and all such documents shall be kept on file by the City Clerk. Two (2) copies of the Financing Documents are on file in the office of the City Clerk for public inspection. The Mayor of the City of Bloomington and the City Clerk, in consultation with the attorneys for the City, are hereby authorized to approve any revisions to the Financing Documents which may be necessary to effect the issuance of the Bond, and such approval shall be evidenced by the execution of such documents.

SECTION 3. The Issuer shall issue its Bonds in the principal amount not to exceed Two Million One Hundred Thousand Dollars ($2,100,000) for the purpose of procuring funds to loan to the Company in order to complete the Project, which Bonds will be payable as to principal, premium, if any, and interest solely from the payments made by the Company on its Note in the principal amount equal to the principal amount of the Bonds which will be executed and delivered by the Company to evidence and secure said loan and as otherwise provided in the above described Financing Documents. The Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 4. The City Clerk is authorized and directed to sell such Bonds to the Bond Purchaser at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, and at a stated per-annum rate of interest as set forth in the Financing Documents.

SECTION 5. The Mayor and the Clerk of the City of Bloomington are authorized and directed to execute those Financing Documents approved herein which require their signatures and any other document which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed on behalf of the Issuer. The City Clerk is authorized to arrange for the delivery of the Bonds to the Bond Purchaser and to receive payment therefore in the manner set forth in the Financing Documents. The Bonds shall be dated the date of closing of this transaction, such date to be no later than ninety (90) days from the date of adoption by this Common Council of this Ordinance. The Mayor and City Clerk may, by their execution of the Financing Documents requiring their signatures and by the execution of Bonds, approve changes therein and also in those Financing Documents which do not require their signatures without further approval of the Common Council or the City of Bloomington Economic Development Commission if such changes do not affect terms set forth in IC 36-7-12-27(a)(1) through (a)(11).

SECTION 6. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the Issuer and the Bond Purchaser, and after the issuance of said Bonds, this ordinance shall not be repealed or amended in any respect which would adversely affect the right of any holder or holders of the Bonds so long as said Bonds or the interest thereon remains unpaid.

SECTION 7. This ordinance shall be in full force and effect upon adoption and compliance with IC 36-4-6-14.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 1st day of DECEMBER, 2010.

Isabel Piedmont-Smith

ISABEL PIEDMONT-SMITH, President
City of Bloomington Common Council

ATTEST:

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 2nd day of DECEMBER, 2010.

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 2ND day of DECEMBER, 2010.

MARK KRUZAN, Mayor
City of Bloomington

ATTEST:

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

I, Regina Moore, Clerk of the City of Bloomington, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Ordinance 10-18, passed by the Common Council on the 1st day of December, 2010, by a vote of 9 YEAS and 0 NAYS, which was signed by the Mayor of the City of Bloomington, Indiana, on the 2nd day of December, 2010, and now remains on file and on record in my office.

WITNESS my hand and official seal of the City of Bloomington, Indiana, this 3rd day of December, 2010.

Regina Moore

[SEAL]

REGINA MOORE, Clerk
City of Bloomington, Indiana

Synopsis

This ordinance authorizes the issuance of up to $2.1 million in tax exempt, Economic Development Recovery Zone Facility bonds for the Pinnacle School campus project at 1503/1505 West Arlington Road.

Note: On December 1, 2010 this ordinance was amended to correct the date of the action by the City's Economic Development Commission.

signed copies:
legal
EDOS
Pinnacle School

paper - clerk (2)
CA/CA (2)