Committee Final 70

ORDINANCE 91-48

AN ORDINANCE REVIEWING AND MODIFYING THE BUDGET OF THE BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION

WHEREAS, the Bloomington Public Transportation Corporation has forwarded a proposed budget to the Common Council for the year 1992; and

WHEREAS, the Bloomington Common Council is charged with the authority to review and modify said budget pursuant to I.C. 36-9-4-51;

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

SECTION I. The Common Council of the City of Bloomington has reviewed the attached budget of the Bloomington Public Transportation Corporation which is hereby incorporated by reference and makes no modification of said budget.

SECTION II. This ordinance shall be in full force and effect from and after its passage by the Common Council and approval by the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 7th day of August, 1991.

John R Fernandez

JOHN FERNANDEZ, President
Bloomington Common Council

ATTEST:

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor on this 8th day of August, 1991.

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 8th day of August, 1991.

Tomilea Allison

TOMILEA ALLISON, Mayor
City of Bloomington

SYNOPSIS

Indiana law calls for the Common Council to review and modify the budget of the Public Transportation Corporation. This ordinance constitutes the Council's review and modifications, if any, of the PTC budget for 1992.

Signed copies to
DAVE Gionch PTC
Controller

1992 PROPOSED BUDGET

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION

NOTICE TO TAXPAYERS OF BUDGET ESTIMATES AND TAX RATES

Notice is hereby given the taxpayers of the City of Bloomington, Indiana, that the Board of Trustees of the Bloomington Public Transportation Corporation at 800 East Miller Drive, Bloomington, Ind., on July 30, 1991, at 5:30 p.m. will conduct a public hearing on the 1992 Budget. Following this meeting, the aforementioned Board will meet at 800 East Miller Drive on August 6, 1991, at 5:30 p.m. to adopt the following budget.

1992 BUDGET ESTIMATE

Complete detail of the budget estimates by fund and/or department may be seen at the City Controller's Office. The general public is encouraged to attend and participate at this hearing.

NET ASSESSED VALUATION: $287,435,913

FUND	BUDGET ESTIMATE	ESTIMATE OF FUNDS TO BE RAISED	PROPERTY TAX REPLACEMENT CREDIT	NET TAX RATE	FUND	BUDGET ESTIMATE	ESTIMATE OF FUNDS TO BE RAISED	PROPERTY TAX REPLACEMENT CREDIT	NET TAX RATE
TRANSIT OPERATING	1,947,280	525,000		0.1820					
					Totals	1,947,280	525,000		0.1820

Taxpayers appearing shall have a right to be heard thereon. After the tax rates have been determined and presented to the county auditor not later than two days prior to the second Monday in September, and the rate fixed by the county tax adjustment board, or on their failure to do so, by the county auditor, ten or more taxpayers feeling themselves aggrieved by such rates, may appeal to the state board of tax commissioners for further and final hearing thereon by filing a petition with the county auditor on or before the tenth day after publication of the county auditor of tax rates charged, and the state board of tax commissioners will fix a date for hearing in this county.

July 8, 1991

/s/ Charles A. Ruckman
City Controller

Prescribed by State Board of Accounts

Budget Form 4-B (Rev. 1985)

503

ID | YEAR | CO | TYPE | KEY | FUND

BUDGET ESTIMATE - FINANCIAL STATEMENT - PROPOSED TAX RATE

UNIT ON APPEAL [ ]

TAXING UNIT BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION

COUNTY MONROE

FUND TRANSIT OPERATING

NET ASSESSED VALUATION $287,435,913 [5]

(This form is to be prepared for each fund that requires either a tax rate or an appropriation.)
(NOT TO BE PUBLISHED)

FUNDS REQUIRED FOR EXPENSES TO DECEMBER 31st OF INCOMING YEAR:	AMOUNTS USED TO COMPUTE PUBLISHED BUDGET	APPROPRIATING BODY	TAX ADJUSTMENT BOARD	CONTROL BOARD AND STATE TAX BOARD FINAL ACTION
1. Total budget estimate for incoming year	1,947,280			
2. Necessary expenditures, July 1 to December 31 of present year, to be made from appropriation unexpended	1,255,853			
3. Additional appropriation necessary to be made July 1 to December 31 of present year	971,735			
4. Outstanding temporary loans to be paid not included in lines 2 or 3				
5. Total funds required (add lines 1, 2, 3, and 4)	4,174,868			
FUNDS ON HAND AND TO BE RECEIVED FROM SOURCES OTHER THAN PROPOSED TAX LEVY:				
6. Actual balance, June 30 of present year	1,951,643			
7. Taxes to be collected, present year (December Settlement)	235,359			
8. Miscellaneous revenue to be received July 1 of present year to December 31 of incoming year (Schedule on File):				
a. Total Column A Budget Form 2	1,000,667			
b. Total Column B Budget Form 2	1,243,500			
9. Total Funds (Add lines 6, 7, 8a, and 8b)	4,431,169			
10. Net amount to be raised for expenses to December 31st of incoming year (deduct line 9 from line 5)	(256,301)			
11. Operating balance (not in excess of expense January 1st to June 30, less miscellaneous revenue for same period)	781,301			
12. Amount to be raised by tax levy (add lines 10 and 11)	525,000			
13. Property Tax Replacement Credit from Local Option Tax				
14. NET AMOUNT TO BE RAISED BY TAX LEVY (deduct line 13 from line 12)	525,000			
15. Levy Excess Fund Applied to Current Budget	XXXXXXXXXXXXXX		XXXXXXXXXXXXXX	
16. Net Amount to be Raised	525,000			
17. Net Tax Rate on Each One Hundred Dollars of Taxable Property	0.182			

Note: Please be sure total of amounts in line 2, 3 and 4 do not exceed total amounts in lines 6, 7 and 8a.

Prescribed by State Board of Accounts — City & Town Budget Form No. 2 (Rev. 1985)

506 3
ID YEAR CO TYPE KEY

CITY OR TOWN OF BLGTN PUBLIC TRANSPORTATION MONROE COUNTY, INDIANA

ESTIMATE OF MISCELLANEOUS REVENUE - TRANSIT OPERATING FUND
FROM SOURCES OTHER THAN GENERAL PROPERTY TAXES
FOR USE IN PREPARATION OF ESTIMATE OF FUNDS TO BE RAISED

	ESTIMATED AMOUNTS TO BE RECEIVED			
	- A - Jul. 1, 1991 to Dec. 31, 1991	- X - State Board of Tax Commissioners	- B - Jan. 1, 1992 to Dec. 31, 1992	- X - State Board of Tax Commissioners
OTHER TAXES:				
201 Financial Institutions Tax	2,796		12,000	
202 Auto and Aircraft Excise Tax	10,967		55,000	
207 Wheel and Excise Surtax				
212 County Option Income Tax (COIT)	79,700		165,000	
LICENSES AND PERMITS:				
3100 Licenses				
3200 Permits				
INTERGOVERNMENTAL REVENUE:				
1121 Federal Matching Funds - L.R. & S.				
1416 Motor Vehicle Highway Distributions				
1417 Local Road and Street				
1501 Liquor Excise Tax Distributions				
1502 Alcoholic Beverage Gallonage Tax Dist				
1503 Cigarette Tax Distributions - General				
1504 Cigarette Tax to CCIF				
1505 Cigarette Tax - Fire & Police Pension				
1600 State Grants & Reimbursements				
Other Grants & Reimbursements				
CHARGES FOR SERVICES:				
2206 Police & Fire Protection Contracts				
2501 Dog Pound & County Animal Contract				
2707 Internal Service Charges				
3102 Cable Television Receipts				
3300 Parking Receipts				
3700 Parks Fees & Concessions				
3901 Sale of Graves & Burials				
3903 Interlocal Agreements				
3903 Other Fees & Charges				
3904 Utilities - In Lieu of Taxes				
4101 Vehicle Inspection Fees				
FINES AND FORFEITURES:				
4101 Court Docket Fees				
4104 Ordinance Violations				
MISCELLANEOUS REVENUE:				
5101 Sale of Property				
5121 Insurance Reimbursements				
5600 Refunds				
6100 Interest on Investments				
6200 Rental of Property				
6300 Assessments				
Other Miscellaneous Revenue				
OTHER FINANCING SOURCES:				
State PMTF	219,946		321,000	
Section 9 - UMTA	580,924		477,000	
Section 8 - UMTA	5,577			
Fare Revenue	96,021		203,500	
Advertising	4,736		10,000	
Other				
9999 Total Columns A and B	1,000,667		1,243,500	

NOTE: Col. A is for the period from July 1 to December 31 of the present year.
Col. B is for the period from January 1 to December 31 of the incoming year.
Cols. X are reserved for the State Board of Tax Commissioners adjustments.

Prescribed by State Board of Accounts

Budget Form 4-A (Rev. 1985)

BUDGET REPORT FOR

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
TAXING UNIT

MONROE
COUNTY

503
ID YEAR CO TYPE KEY

	ORIGINAL PUBLISHED BUDGET APPROPRIATION	AMOUNT APPROVED BY		FINAL BUDGET AFTER REDUCTION ORDERED BY STATE BOARD OF TAX COMMISSIONERS
		LOCAL COUNCIL OR BOARD	TAX ADJUSTMENT BOARD	
FUND: TRANSIT OPERATING — DEPARTMENT: — FUNCTION:				
100000 PERSONAL SERVICES	887,030			
200000 SUPPLIES	270,250			
300000 OTHER SERVICES AND CHARGES	483,000			
400000 CAPITAL OUTLAY	307,000			
9999 TOTAL	1,947,280			
FUND: — DEPARTMENT: — FUNCTION:				
100000 PERSONAL SERVICES				
200000 SUPPLIES				
300000 OTHER SERVICES AND CHARGES				
400000 CAPITAL OUTLAY				
9999 TOTAL				
FUND: — DEPARTMENT: — FUNCTION:				
100000 PERSONAL SERVICES				
200000 SUPPLIES				
300000 OTHER SERVICES AND CHARGES				
400000 CAPITAL OUTLAY				
9999 TOTAL				

FUND: _____ TOTAL: _____
(ONLY IF DEPARTMENTALIZED)

4

CALENDAR YEAR 1992 PROPOSED BUDGET SUMMARY

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION

The Calendar Year 1992 Budget for the Bloomington Public Transportation Corporation reflects the ongoing commitment of the BPTC to improve the quality of its services to the public.

Again in 1991, the Board of Directors of the BPTC has been selectively adjusting schedules and services to meet the changing needs of the community. The renewed call for transportation alternatives both locally through the Master Plan process, and nationwide in response to concerns about oil supplies, the environment, and traffic congestion, has resulted in new service demands from the public. The reality of cutbacks on the State level (this year's sales tax revenues, a percentage of which are dedicated as the Indiana Public Mass Transportation Fund, were less than hoped for because of the sluggish economy), and the expensive prospect of new unfunded federal handicapped accessibility and clean air requirements for transit systems, has made it necessary however, to move conservatively.

The Calendar Year Budget for 1992 reflects that conservative nature. A small (8%) increase in service hours is contemplated. That increase most likely will come in the form of evening service on Bloomington Transit Route 6 - Campus Shuttle. Ridership on this route which was started in 1989, has grown steadily. Evening service will allow us to meet the special needs of the route's largely student ridership, whose trips from off-campus apartments to and from the University don't necessarily follow set morning and afternoon patterns. When combined with a general 5% hourly wage increase negotiated into the collective bargaining agreement with the system's bus drivers and maintenance personnel, and a change to the company's contribution to health insurance for salaried employees, this leads to about a 12% increase in the cost of Personnel related items.

A review of some of the supplies items has shown that budgets for these items haven't been revised in several years. When combined with the increasing cost of repair parts because of inflation, more service miles, and the advancing age of the bus fleet; and with an additional appropriation into the fuel line item to protect against the volatility of fuel prices, this results in a 13.9% increase in our request in supplies items for 1992.

This year the BPTC entered into a new agreement with McDonald Transit Associates, Inc., for the management of Bloomington Transit and BT Access services through 1994 (with an option through 1996). The increase built into the cost of this agreement are figured into the Professional Services section of the Budget.

Also figured to increase is the cost of contracted transportation services. Currently the BPTC contracts with the Area 10 Agency on Aging for the operation of BT Access. The existing contract with Area 10 expires in September. While we hope that some economies will result from competitive bidding that will be conducted this summer, we have nonetheless protected against increases by adjusting the amount budgeted for this item.

The City's decision to establish a Department of Risk Management has paid dividends to the BPTC as well as the City. Using the services of Risk Management, combined with the generally "softer" insurance market of late, allows us to reduce the amount budgeted for liability insurance. This in turn results in a Professional Services portion of the BPTC budget that will increase only slightly over 1991.

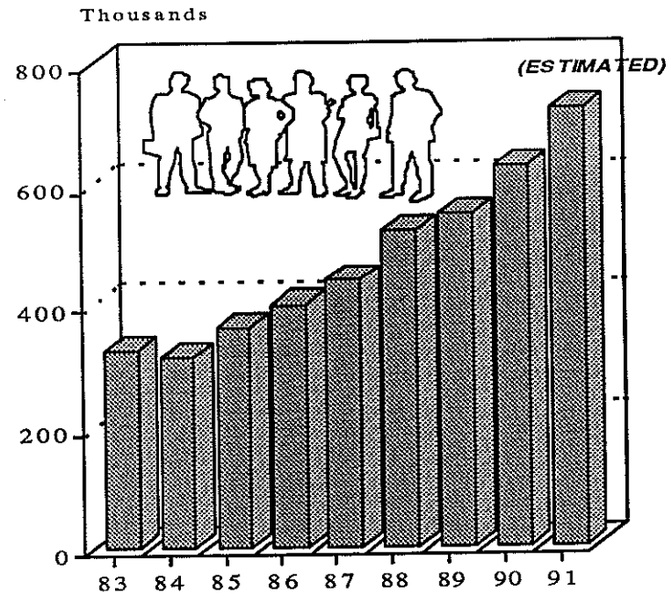
The Capital Outlay portion of the budget doesn't contain a transfer into the BPTC's Non Reverting Capital Fund as was the case last year. Instead, this part of the budget includes $295,000 for the purchase of two small (20-25 passenger) buses, an office copy machine, and a pickup truck. We do anticipate being able to transfer some 1991 funds over and above the amount originally budgeted into the Non Reverting fund before the end of this year (This fund has been established as a means for the BPTC to "save up" over several years in order to finance projects such as fleet replacement, to address our facility problem, and to live up to the capitalization requirements of the Americans With Disabilities Act and new clean air standards).

With regard to the facility project, This month the BPTC is releasing a Request for Proposals for engineering consulting services to conduct a study of the Corporation's operations, maintenance, and administrative needs, to look at options and sites for meeting those needs; and to look into the question of whether

economies are possible by sharing an operating facility with Indiana University Campus Bus. The University has told us that they would be interested in the results of the research, but that they are not presently seeking to replace their Grimes Lane facility.

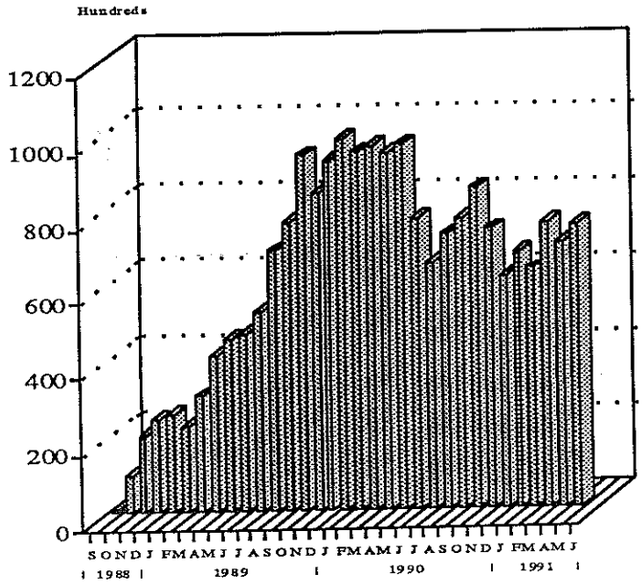
As always, if you have any questions about this material, or if you have any questions about Bloomington Transit or BT Access, please contact us at the BPTC offices at any time.

BLOOMINGTON TRANSIT
PASSENGERS BY YEAR



SCHEDULED BUS SERVICE

BT ACCESS
TOTAL TRIPS PER MONTH



LIFT EQUIPPED VAN SERVICE

CALENDAR YEAR 1992 BUDGET SUMMARY

OPERATING EXPENSES

The following is a narrative explanation of expenses included in the proposed Bloomington Public Transportation Corporation Budget for Calendar Year 1992.

Budget Class I

	Proposed	1991	%Chg.
Line 111A - Salaries (Operators)	**$519,480**	$458,000	+13.4%
54,000 service hours x $9.62 per hour. (An increase of 8% over CY 1991)			
Line 111B - Salaries (Administrative)	**$76,054**	$76,951	-1.2%
2 Operations Supervisors @ $26,512/year max.			
1 Administrative Assistant @ $23,030/year max.			
Line 111C - Salaries (Maintenance)	**$115,110**	$109,321	+5.3%
1 Maintenance Supervisor $12.51 max. per hour x 2080 yearly hours x 1.10 overtime factor			
1 Master Mechanic $10.17 per hour x 2080 yearly hours x 1.10 overtime factor			
1 Auto Serviceman $9.21 per hour x 2080 yearly hours x 1.10 overtime factor			
2 Full-Time Service Attendants $9.21 per hour x 2080 yearly hours x 1.10 overtime factor			
Line 111D - Salaries (Other)	**$31,920**	$21,860	+46.0%
5 Directors @ $1,200 each/year = $6,000			
1 PT Information Officer: 1040 hrs @ $5.50/hr.			
2 Interns: 2080 hrs. ea. @ $5.25 /hr. (These positions were moved to this line in CY 1992 accounting for the 46% increase)			
Line 121 - FICA	**$55,283**	$50,026	+10.5%
7.6% of $740,564 (total salaries)			

Line 122 - PERF	**$55,283**	$44,964	+22.9%
7.6% of $720,364 (total salaries) (PERF rates and salaries have both increased)			
Line 123 - Health/Life Insurance	**$24,360**	$21,000	+16.0%
27 contract eligible employees x $50 max. per month 4 senior staff positions at $170 max. per month			
Line 124 - Unemployment	**$2,500**	$3,150	-20.7%
Line 126 - Uniforms	**$6,500**	$5,000	+30.0%
Line 129 - Tool Allowance	**$540**	$540	0%
Established in collective bargaining agreement			
Subtotal Budget Class I	**$887,030**	$790,812	+12.2%

Budget Class II

Line 21 - Office Supplies	**$2,300**	$1,800	+27.7%
(Line hasn't been increased in several years)			
Line 23 - Parts	**$92,400**	$84,000	+10.0%
(Increase is necessary because of inflation, increase in service miles, and advancing age of the fleet)			
Line 24 - Other Supplies	**$4,200**	$3,400	+23.5%
(Line hasn't been increased in several years)			
Line 231 - Tires	**$16,350**	$15,575	+4.9%
Line 221 - Institutional	**$6,500**	$4,620	+40.7%
(Line hasn't been increased in several years)			
Line 224 - Fuel/Oil	**$148,500**	$127,800	+16.2%
(Increase due to the volatility of fuel prices and an increase in service miles)			
Subtotal Budget Class II	**$270,250**	$237,195	+13.9%

Budget Class III

Line 31 - Contracted Bus Service BT Access (Handicapped) Area 10	**$210,000**	$190,000	+10.5%
Line 31 - Professional Services	**$113,000**	$89,712	+25.9%

Management services - fixed fee (McDonald Assoc.) National went under.
= $75,000
(New contract in 1991)

Management services direct (travel, etc., at cost)
= $3,000

City of Bloomington (comptroller, legal, and risk management services)
= $30,000

ADP (payroll services)
=$5,000

Line 33 - Printing	**$12,600**	$12,128	+3.8%
Line 36 - Repairs/Labor	**$21,300**	$20,300	+4.9%
Line 321 - Telephone	**$6,500**	$6,500	0%
Line 322 - Postage	**$1,500**	$1508	0%
Line 323 - Travel	**$4,500**	$4,200	+7.1%
Line 332 - Advertising	**$18,900**	$18,233	+3.6%
Line 341 - Insurance	**$66,500**	$95,400	-30.3%

-1 million primary liability
-4 million excess liability
-Property damage
-Worker's Compensation
-Directors/Officers liability
-Fire/Building

(City's new Risk Management Department has benefited BPTC as well)

Line 351 - Electricity	**$10,000**	$9,631	+3.8%
Line 353 - Water/Sewer	**$1,800**	$1,666	+8.0%
Line 354 - Gas	**$8,100**	$8,100	0%
Line 361 - Building Maintenance	**$4,500**	$3,638	+23.6%

(Line hasn't been increased in several years)

Line 391 - Dues and Subscriptions	**$3,800**	$3,296	+15.3%
Reflects annual dues for Indiana Transportation Association and American Public Transit Association. (APTA has increased substantially)			
Subtotal Budget Class III	**$483,000**	$464,312	+4.0%

Budget Class IV

Line 442 - Equipment	**$12,000**	$10,000	+20%
Line 443 - Transfer to Capital Fund	**$------**	$475,000	N/A
Line 445 - Equipment	**$295,000**	$------	N/A
Subtotal Budget Class IV	**$307,000**	$485,000	-36.8%
TOTAL EXPENSES	**$1,927,280**	$1,977,319	-2.5%

REVENUES

The following is a summary of the sources of funds that will be used to meet the BPTC's various expenses during Calendar Year 1992.

		Proposed	1991	%Chg.
Line 100 - Property Tax		**$525,000**	$498,960	+5.1%
Line 201 - Financial Institutions Tax		**$12,000**	$8,000	+50%
Line 202 - License Excise		**$55,000**	$23,100	+38%
Line 212 - COIT		**$165,000**	$115,545	+43%
Line 2609 - Passenger Fares		**$203,500**	$185,000	+10%
Line 2774 - Advertising Sales		**$10,000**	$10,000	----
Line 11081 - Section 9 UMTA		**$477,000**	$300,000	+59%
Line 11083 - Section 8 UMTA Planning		**$------**	$8,000	----
Line 1412 - State PMTF		**$321,000**	$219,946	+46%
TOTAL OPERATING REVENUE	**$**	**$1,768,500**	$1,418,605	+25%

91-71
RESOLUTION
OF THE
REDEVELOPMENT DEPARTMENT
OF THE
CITY OF BLOOMINGTON

WHEREAS, this Redevelopment Commission has examined a form of lease proposed by the Bloomington Municipal Facilities Corporation ("Lease"); and

WHEREAS, notice of a hearing on the proposed Lease was given by publication in the Bloomington Herald-Times on August 15, 1991, and the hearing has been held in accordance with this notice; now, therefore,

BE IT RESOLVED by the Redevelopment Commission of the City of Bloomington, that the Redevelopment Commission has reviewed the plans specifications and construction bids and determined that the proposed parking facility and related appurtenances to be located at Third and College Streets in Bloomington ("Project") will help alleviate blight in the Downtown Redevelopment Area ("Area") and provide for the redevelopment of the Area in the City of Bloomington, and that the members of the Redevelopment Commission have approved such drawings, plans, specifications, and construction bids before construction of the Project began.

BE IT FURTHER RESOLVED, that the proposed Lease with the Bloomington Municipal Facilities Corporation, as lessor, provides for fair and reasonable rentals of the Project, that the services to be provided by the Project leased to the Commission will serve the public purpose of the City and will be in the best interests of its residents.

BE IT FURTHER RESOLVED, that the Secretary is authorized and directed to initial and date a copy of the proposed Lease and to place the same in the minute book immediately following the minutes of this meeting, and the lease is made a part of this resolution as fully as if it were set forth herein.

BE IT FURTHER RESOLVED, that the President and Secretary of the Redevelopment Commission be, and they are hereby authorized and directed to execute the aforesaid Lease on behalf of the Bloomington Redevelopment Commission after the approval by the State Board of Tax Commissioners described below is obtained.

BE IT FURTHER RESOLVED, that the President and Secretary of the Redevelopment Commission are hereby authorized and directed to publish notice of execution of the Lease after approval of the Lease by the Bloomington Common Council and to petition the State Board of Tax Commissioners for approval of the execution of the Lease as provided in IC 6-1.1-18.5-8.

BE IT FURTHER RESOLVED, that upon the redemption or retirement of the "Redevelopment Lease Rental Bonds of 1991" issued by the Corporation, the Commission will accept from the Corporation title to such Project, free and clear of any and all liens and encumbrances thereon.

Doris Sims, President

David Walter, Secretary

August 26, 1991
Date

EXHIBIT A

INTERDEPARTMENTAL MEMORANDUM

City of Bloomington Legal Department

TO: Members of the Common Council

FROM: Linda Runkle, Corporation Counsel LR

RE: Ordinance 91-49

DATE: August 30, 1991

Ordinance 91-49 approves the execution of the Lease Agreement between the Bloomington Municipal Facilities Corporation (BMFC) and the Redevelopment Commission for the TIF bond financing of the Convention Center Parking Lot. The BMFC and Redevelopment Commission have both approved the form of lease; a public hearing on the lease was held on August 26, 1991; and the petition of the Redevelopment Commission to the State Board of Tax Commissioners is ready to submit next week. As you can see by the attached "TIF Lease Financing Timetable", the approval of the Common Council is the final step on the local level in the lengthy legal process preceding the sale of the bonds.

As you recall, by Resolution 90-38, passed by a vote of 8-0, the Council has previously approved the disposition of TIF funds for the Convention Center Lot. During 1991, by Resolutions 91-7 and 91-17, the Council has advanced funds from the Westside Industry Special Non-reverting Fund for the project in the combined amount of $1.075 million, to be repaid from the bond proceeds at closing. The approval of this Ordinance will facilitate the bond sale and reimbursement of expended funds as planned.

In accordance with our financing schedule, after approval by the Council and State Board of Tax Commissioners, and the expiration of a thirty day objection period, we will be advertising the "Redevelopment Lease Rental Bonds of 1991" in the aggregate principal amount of 1.33 million dollars.

A copy of the Lease Agreement is on file in the City Clerk's Office. Because the document consists of 29 pages of legalese with 4 Addenda, it has not been included in your packet. Essentially, the Agreement mirrors the form of lease utilized for the Headquarters Fire Station, wherein a not-to-exceed annual payment is stated for a maximum period of years. The Convention Center Parking Lot Lease Agreement anticipates an annual amount not-to-exceed $187,000 for a period not-to-exceed 18 years. As always, these figures are based upon conservative interest estimates combined with conservative TIF revenue projections. As with the Fire Station, we anticipate that actual annual lease rentals will be substantially reduced at the time of the bond sale. Chuck Ruckman will review financing with you in detail at the committee meeting on September 11.

LR/knk

CITY OF BLOOMINGTON
DOWNTOWN REDEVELOPMENT AREA
TIF LEASE FINANCING SCHEDULE
FOR CONVENTION CENTER PARKING LOT

June 28, 1991	Tax Board issues ruling on recalculation of base assessed value.
By July 15, 1991	H.J. Umbaugh & Associates completes TIF projections.
August 5, 1991	Redevelopment Commission considers form of lease and sets date for public hearing.
August 8, 1991	Bloomington Municipal Facilities Corporation preliminarily approves form of lease and adopts resolution authorizing execution of lease.
August 15, 1991	Redevelopment Commission publishes notice of public hearing on lease in Bloomington Herald-Times.
August 26, 1991	Redevelopment Commission holds public hearing and adopts resolution authorizing execution of lease.
August 30, 1991	Form of Ordinance submitted to Common Council.
By September 4, 1991	Petition for approval of lease payable from Special Benefits Tax above levy limits submitted to State Board of Tax Commissioners.
September 11, 1991	First Reading of Ordinance approving lease and Committee Meeting of Common Council on Ordinance approving lease.
September 12, 1991	Bloomington Municipal Facilities Corp. adopts resolution authorizing execution of lease.
September 18, 1991	Common Council adopts Ordinance authorizing execution of lease.
September 25, 1991	Local Government Property Tax Control Board meets to approve petition - subject to no objecting petitions.

After receipt of Ruling of State Board of Tax Commissioners (tentatively September 30, 1991)	Lease executed by Redevelopment Commission and Bloomington Municipal Facilities Corporation.
October 1, 1991	Notice of execution of lease published in Bloomington Herald-Times.
October 31, 1991	Thirty day objecting period expires.
November 1, 1991 and November 8, 1991	Publication of notice of bond sale.
November 18, 1991	Bond sale.
Late November -Early December 1991	Bloomington Municipal Facilities Corporation adopts resolution approving Trust Indenture.
Early December 1991	Bond Closing.

LEASE AGREEMENT

between

BLOOMINGTON MUNICIPAL FACILITIES CORPORATION
LESSOR

and

BLOOMINGTON REDEVELOPMENT COMMISSION
LESSEE

Dated as of October ___, 1991

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and dated as of this _____ day of October, 1991, by and between the BLOOMINGTON MUNICIPAL FACILITIES CORPORATION (the "Lessor"), an Indiana not-for-profit corporation organized and existing to, among other things, acquire own and hold in fee simple land for a parking facility, erecting a parking facility and leasing the parking facility to the City of Bloomington or other governmental units and the BLOOMINGTON REDEVELOPMENT COMMISSION (the "Lessee").

W I T N E S S E T H:

WHEREAS, the Lessor has been created under and in pursuance of the provisions of Indiana Code 23-7-1.1, Indiana Code 36-7-14 and Indiana Code 36-7-25 (collectively, the "Act"), for the purpose of financing, constructing, acquiring and leasing to the Lessee certain parking facilities and necessary equipment and appurtenances;

WHEREAS, the Lessee has established the Downtown Redevelopment Area as a blighted area and a redevelopment area and an allocation area in the City (the "Redevelopment Area") by adopting Declaratory Resolution 85-14 on April 4, 1985, for the purpose of collecting all real property tax proceeds from assessed valuation in the Redevelopment Area in excess of the assessed valuation described in IC 36-7-14-39(b)(2) as reduced by the credit provided for in IC 36-7-14-39.5(c), as such statutory provisions exist on the date of execution of this Lease ("Tax Increment"), to finance construction of the parking facility described below in accordance with the plan for the Redevelopment Area ("Plan"), and the Declaratory Resolution was, after a public hearing was held by the Lessee in accordance with the Act and IC 5-3-1, confirmed by

a Confirmatory Resolution 85-35 adopted on May 6, 1985, and was recorded with the Monroe County Recorder on May 15, 1985; and

WHEREAS, the Lessee adopted Resolution No. 90-1, on January 8, 1990, for the purpose of expanding the boundaries of the Downtown Redevelopment Area and the allocation area by not more than twenty percent (20%) ("Amendatory Resolution"), and the Amendatory Resolution was adopted after a public hearing held by the Lessee in accordance with the Act and IC 5-3-1, and was recorded with the Monroe County Recorder on February 13, 1990;

WHEREAS, the Lessee has requested the Lessor to acquire and construct a parking facility located at 3rd and College Streets in connection with the redevelopment and economic development of the Redevelopment Area as more particularly described in Exhibit A (the "Project");

WHEREAS, the Lessor has acquired or will acquire an ownership interest in the real estate on which the Project will be constructed, as described in Exhibit B, and such ownership interest shall be for a term no less than the term of this Lease;

WHEREAS, the Lessor has agreed to undertake the Project and to this end the City has paid preliminary expenses necessary to be expended and advanced funds to begin construction of the Project by the City prior to the issuance of bonds by the Lessor for the Project ("Bonds") and the Lessor will purchase the plans and specifications, construction bids for the Project entered into by the City, other services previously contracted by the City and the partially completed Project from the City;

WHEREAS, plans and specifications for the Project have been prepared by Bynum, Fanyo and Associates, Bloomington, Indiana, the architect for the Project, which plans and

specifications have been or will be adopted by the Lessor and approved by the Lessee and all agencies designated by law to pass upon such plans and specifications for buildings such as the Project at such location;

WHEREAS, the Lessor, after advertising and receiving bids pursuant to applicable law, has entered or will enter into contracts, with one or more general contractors for the construction of the Project in accordance with such plans and specifications or will acquire such Project;

WHEREAS, the total cost of the Project, including, but not limited to, costs of acquisition, construction, demolition, reconstruction, improvements, necessary equipment, engineers' fees, architect's fees, consultants' services, legal and financing expenses, certain expenses of operation of the Lessor during construction, interest during construction and repayment of funds advanced by the Lessee to meet preliminary expenses necessary to be paid prior to the issuance of bonds by the Lessor, is estimated to be not greater than $1,330,000;

WHEREAS, the term of the Lease is based on the value of the Project;

WHEREAS, the expected economic life of the Project is at least eighteen (18) years;

WHEREAS, the Lessor will own the Project for the same period or periods of years that the Lessee proposes to lease the Project from the Lessor;

WHEREAS, the annual rentals to be paid under this Lease by the Lessee will be pledged by the Lessor to repay funds borrowed by the Lessor to finance the Project;

WHEREAS, the Act authorizes the Lessee to pledge revenues available to it to accomplish the goals of the plan for the Redevelopment Area, to finance the costs of the Project, or to make lease rental payments for the Project;

WHEREAS, the annual rentals to be paid under the Lease by the Lessee will be derived from Tax Increment collected in the Redevelopment Area and, if Tax Increment is not sufficient to pay the annual rentals, from a special benefits tax levied and collected in the Bloomington Redevelopment District under IC 36-7-14-27 (the "Special Benefits Tax") to the extent of such shortfall;

WHEREAS, the Lessee has determined, after a public hearing held pursuant to the Act after notice given pursuant to IC 5-3-1, that the lease rentals provided for in this Lease are fair and reasonable, that the execution of the Lease is necessary and wise and that the services provided by the Project will serve the public interest of the City and are in the best interests of its residents, and the Common Council has by ordinance approved the Lease, and the ordinance has been entered in the official records of the Common Council;

WHEREAS, the Lessor has determined that the lease rentals provided for in this Lease are fair and reasonable, that the execution of the Lease is necessary and wise and that the services provided by these improvements will serve the public interest of the City and are in the best interests of its residents, and the Lessor has duly authorized the execution of this Lease by resolution, and the resolution has been entered in the official records of the Lessor;

WHEREAS, the City has notified the State Board of Tax Commissioners and the Monroe County Auditor of the establishment of the Redevelopment Area, and of the enlargement of the Redevelopment Area, and the Lessee and the Lessor have obtained all necessary approvals of the State Board of Tax Commissioners prior to the issuance of the Bonds by the Lessor and all other approvals required by law for the execution of this Lease and issuance of the Bonds, including the approval of the State Board of Tax Commissioners of the levy of the Special

Benefits Tax to pay lease rentals under IC 36-7-14-27 outside the limitation on such levies in accordance with IC 6-1.1-18.5-8;

THIS AGREEMENT WITNESSETH THAT:

1. Demise of Site. The date the Lessor acquires the interests in real estate described in Exhibit B shall be endorsed on this Lease at the end hereof by the parties to this Agreement, and such endorsement shall be recorded as an addendum to this Lease.

2. Premises, Term and Warranty. The Lessor does hereby lease, demise and let to Lessee the interests in real estate in the City of Bloomington, Monroe County, Indiana, more particularly described in Exhibit B, and the Project constructed thereon by Lessor according to plans and specifications described above (the real estate and the Project are referred to as the "Leased Premises").

The above mentioned plans and specifications may be changed, additional construction work may be performed and equipment may be acquired by Lessor, but only with the approval of Lessee, and only if such changes or modifications or additional construction work or equipment do not alter the character of the improvements or reduce the value thereof. Any such additional construction work or equipment shall become part of the property covered by this Lease. The above mentioned plans and specifications have been filed with and approved by Lessee.

TO HAVE AND TO HOLD the Leased Premises with all rights privileges, easements and appurtenances thereunto belonging, unto the Lessee, beginning on the date on which the Project is completed and ready for use and occupancy and ending on the day prior to such date not more than eighteen (18) years thereafter. However, the term of this Lease will terminate

at the earlier of (a) the exercise by the Lessee of the option to purchase the Leased Premises and the payment of the option price, or (b) the payment or defeasance of all bonds issued (i) to finance the cost of the Leased Premises, (ii) to refund all or a portion of such bonds, (iii) to refund all or a portion of such refunding bonds, or (iv) to improve the Leased Premises; provided that no bonds or other obligations of the Lessor issued to finance the Project remain outstanding at the time of such payment or defeasance. The date the Project is completed and ready for use and occupancy shall be endorsed on this Lease at the end hereof by the parties hereto as soon as possible after such completion, and such endorsement shall be recorded with the Monroe County Recorder as an addendum to this Lease. The Lessor hereby represents that it is possessed of, or will acquire, the interests in real estate described in Exhibit B and the Lessor warrants and will defend the same against all claims whatsoever not suffered or caused by the acts or omissions of Lessee or its assigns.

3. (1) Fixed Rental Payments. The Lessee agrees to pay fixed annual rentals ("Fixed Annual Rentals") for the Leased Premises at the annual rate of $187,000 on the dates set forth in Section 4.

After the marketing of the Bonds issued to finance the acquisition, construction and improvement of the Leased Premises in the Redevelopment Area, the Fixed Annual Rental for the completed Leased Premises shall be reduced (i) to an amount equal to the multiple of $1,000 next higher than the sum of principal and interest due on the Bonds in the year ending on the next February 1 ("Bond Year") through the Bond Year ending February 1, 1998, and thereafter (ii) to an amount equal to the multiple of $1,000 next higher than the highest sum of principal and interest due on the Bonds in any succeeding Bond Year, plus in both cases Five Thousand

Dollars ($5,000), payable in equal semiannual installments commencing on the later of the date the Leased Premises are ready for use and occupancy or January 15, 1993. The schedule of such reduced Fixed Annual Rentals shall be endorsed on this Lease by the parties hereto at the time of issuance of the Bonds and recorded as an addendum.

(2) Additional Rental Payments. (a) The Lessee shall pay as further rental (in addition to the rentals paid under Section 3(1)) for the Leased Premises ("Additional Rentals") the amount of all taxes and assessments levied against or on account of the Leased Premises or the receipt of lease rental payments and to reimburse the Lessor for any insurance payments made by it under Section 8. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Lessor by the Lessee, at least three (3) days before the last day upon which such payments must be paid to avoid delinquency. If the Lessee shall in good faith desire to contest the validity of any such tax or assessment, shall so notify the Lessor and shall furnish bond with surety to the approval of the Lessor conditioned for the payment of the charges so desired to be contested and all damages or loss resulting to the Lessor from the nonpayment thereof when due, the Lessee shall not be obligated to pay the contested amounts until such contests shall have been determined. The Lessee shall also pay as Additional Rentals the amount calculated by or for Lessor as the amount required to be rebated, or paid as a penalty, to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended and in effect on the date of issue of the Bonds ("Code"), after taking into account other available moneys, to prevent the Bonds from becoming arbitrage obligations under Section 148 of the Code.

(b) The Lessee may by resolution pay Additional Rental to enable the Lessor to redeem or purchase Bonds prior to maturity. Such Additional Rental may be paid from excess Tax Increment available for such purposes as described in Section 6 below. Rental payments due under Section 3 shall be reduced to the extent such payments are allocable to the Bonds redeemed or purchased by the Lessor with such Additional Rental payments.

4. Payment of Rentals. The first rental installment shall be due on the later of date the Leased Premises are completed and ready for use and occupancy or January 15, 1993. The first rental payment shall be in the amount which provides for Fixed Annual Rental at the annual rate specified in Section 3(1) plus Additional Rentals determined as provided in Section 3(2) from the date of payment to the next July 15 or January 15 following the later of the date of completion or January 15, 1993. Thereafter, rentals shall be payable in advance in equal semiannual installments on January 15 and July 15 of each year. The last semiannual rent payment due shall be adjusted to provide for a rental payment at the annual rate specified above from the date such installment is due to the expiration of this Lease. The Lessee shall receive a credit against its rent obligations under Section 3 for any earnings from the Surplus Fund on deposit in or transferred to the Allocation Fund prior to the due date of the rent payment.

All rentals payable under the terms of this Lease shall be paid by the Lessee to the bank selected as trustee ("Trustee") under the Trust Indenture between it and the Lessor ("Indenture"), or to such other bank or trust company as may from time to time succeed such bank as Trustee under the Indenture securing the Bonds to be issued by the Lessor to finance the acquisition, construction and improvement of the Leased Premises. The bank selected as Trustee shall be endorsed on this Lease at the end hereof by the parties hereto as soon as possible after selection,

and such endorsement shall be recorded as an addendum to this Lease. All payments so made by the Lessee shall be considered as payment to the Lessor of the rentals payable hereunder. The last semiannual rental payment due before the expiration of this Lease shall be adjusted to provide for rental at the annual rate specified above for the completed Leased Premises from the date such installment is due to the date of the expiration of this Lease.

5. Abatement of Rent. If the Project shall be partially or totally destroyed, whether by fire or any other casualty, or is taken under the exercise of the power of eminent domain, so as render it unfit, in whole or part, for use by the Lessee, it shall then be the obligation of the Lessor to restore and rebuild the Project as promptly as may be done, unavoidable strikes and other causes beyond the control of the Lessor excepted; provided, however, that the Lessor shall not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Lessor from the insurance provided for in Section 8 or the condemnation proceeds received by the Lessor, whichever is applicable.

If there is in force on the date of partial or total destruction or taking, insurance on the Leased Premises and the rental value thereof, in accordance with the provisions of Section 8, the rent shall be abated for the period during which the Project or any part thereof is unfit or unavailable for use and occupancy and shall be in proportion to the percentage of the floor space which is unfit or unavailable for use and occupancy.

6. Pledge of Tax Increment; Covenant to Levy Tax; Source of Payment of Rentals.

(a) The rentals shall be payable as follows:

(1) Out of Tax Increment. All Tax Increment shall be immediately upon receipt by the Lessee be set aside in the Lessee's Allocation Fund created by the Act and used in the following order of priority and to the extent indicated below:

(i) To pay rentals due within the next twelve calendar months to the extent required and permitted by this Lease and amounts due within the next twelve calendar months on any Parity Obligations (as defined below); and

(ii) To pay amounts due within the next twelve calendar months under any obligations or leases junior and subordinate to the Lease.

Any amounts not needed for the purposes described in (i) and (ii) above shall be deposited in the Surplus Fund and applied as set forth in Section 6(d).

(2) Out of the Special Benefits Tax levied on all taxable property in the Bloomington Redevelopment District to the extent Tax Increment and amounts in the General Account of the Surplus Fund are not sufficient to pay the lease rentals. Each year on July 1 or when the City prepares its budget, the Lessee shall estimate the amount of Tax Increment expected to be collected in the subsequent calendar year. To the extent that Tax Increment and funds on deposit in the General Account of the Surplus Fund are not available or are not expected to be available on the dates on which lease rental payments are due in the Bond Year ending on the February 1 immediately succeeding the end of the calendar year for which the budget is being prepared, the Lessee shall annually levy a tax on all taxable property in the Bloomington Redevelopment District in accordance

with IC 36-7-14-27 sufficient, with Tax Increment on hand or to be collected and funds on deposit in the General Account of the Surplus Fund created in subsection (d) which will be available on the dates on which lease rentals are due in the subsequent Bond Year, to produce the necessary funds with which to pay the rentals provided for in this Lease on their due dates. The Special Benefits Tax will upon receipt be deposited in the Allocation Fund and applied as set forth in (1) above.

(b) If receipts from Tax Increment, amounts in the General Account of the Surplus Fund and the Special Benefits Tax, together with any investment earnings thereon, are insufficient to pay any lease rental payments, the Lessee shall immediately initiate proceedings to levy the Special Benefits Tax on all taxable property in the Bloomington Redevelopment District in accordance with IC 36-7-14-27 in an amount sufficient to pay any shortfall, taking into account anticipated Tax Increment collections.

(c) The Lessee, in consideration of the execution of this Lease by the Lessor, in order to secure the payment of the rentals due hereunder and to secure the performance and observance by the Lessee of all covenants expressed or implied in this Lease does hereby pledge the Tax Increment, and investment earnings on the Tax Increment and all amounts in the Allocation Fund and the Surplus Fund, to secure the payment of the rentals due hereunder, such pledge to be effective as set forth in IC 5-1-14-4 without filing or recording of this Lease or any other instrument. This pledge shall be effective only to the extent and for the term that the Lessee is obligated to pay rentals under this Lease. The obligation to pay rentals is limited to moneys in the Allocation Fund, including Tax Increment and the Special Benefits Tax, and in

the Surplus Fund described below and investment earnings. The obligation to pay any lease rentals under this Lease shall not be considered debt of the City or the Bloomington Redevelopment District for purposes of the Constitution of Indiana or the Act. The Lessee has not pledged or otherwise encumbered the Tax Increment and there are no prior liens, encumbrances or other restrictions on the Tax Increment or on the Lessee's ability to pledge the Tax Increment.

(d) (1) There is hereby created a Surplus Fund consisting of a Lease Rental Reserve Account and a General Account into which all Tax Increment not needed to pay rentals due within the next twelve calendar months under this Lease, amounts due on any Parity Obligations, and amounts due under any obligations or leases junior and subordinate to this Lease and any Parity Obligations shall be deposited. The Surplus Fund, and investment earnings thereon, shall be held by the Trustee for the benefit of the Lessor to secure the Lessee's obligations under this Lease.

(2) Tax Increment shall be deposited in the Lease Rental Reserve Account until the balance therein equals the Fixed Annual Rentals due in the next twelve calendar months ("Reserve Requirement"). Moneys deposited and maintained in the Lease Rental Reserve Account shall never exceed the Reserve Requirement. The Lease Rental Reserve Account shall constitute a margin for safety and serve as protection against default and the payment of Fixed Annual Rentals under this Lease, and moneys in the Lease Rental Reserve Account shall be used only to pay Fixed Annual Rentals currently due and payable to the extent that moneys in the Allocation Fund and the General Account are insufficient for that purpose. If moneys in the Lease Rental Reserve Account are transferred to the Allocation Fund to pay Fixed Annual

Rentals, the depletion of the balance in the Lease Rental Reserve Account shall be made up from any moneys in the General Account and from the next available Tax Increment after the required deposits to the Allocation Fund are made. Any moneys in the Lease Rental Reserve Account in excess of the Reserve Requirement will be immediately deposited in the General Account to meet the requirements of Section 6 (d)(3). The Lessee and the Lessor, upon advice of their financial advisor, hereby find that the funding of the Lease Rental Reserve Account is reasonably required and that the Reserve Requirement is no larger than necessary for the Lessor to market the Bonds. The Lessee and the Lessor further find that the Lease Rental Reserve Account is directly related to the Project because it would not be economically feasible to issue the Bonds to finance the Project without the Lease Rental Reserve Account.

(3) After making the required deposits to the Allocation Fund and the Lease Rental Reserve Account, any remaining Tax Increment will be deposited in the General Account. As long as this Lease is in effect, any amount in the General Account may be used in the following order of priority: (i) to pay Fixed Annual Rentals due under Section 3(1); (ii) to fund or replenish the Lease Rental Reserve Account; (iii) to pay Additional Rental due under Section 3(2)(a); (iv) upon direction from the Lessee, to pay Additional Rental to enable the Lessor to redeem or purchase Bonds prior to maturity as provided in Section 3(2)(b); (v) upon direction from the Lessee, to pay, or reimburse the City for, additional costs of the Project not financed with proceeds of the Bonds; (vi) upon direction from Lessee, to pay the costs of acquiring or constructing additional local public improvements or parking facilities in the Redevelopment Area; or (vii) for any other purposes permitted by the Act, including distribution to the taxing units as provided in the Act.

(4) No further Tax Increment shall be deposited in the Surplus Fund if the amounts on deposit in the Surplus Fund together with moneys in the Allocation Fund, together with investment earnings on such amounts are sufficient, to pay all rentals due on this Lease and amounts owed on any Parity Obligations.

7. Maintenance, Alterations and Repairs. The Lessee assumes all responsibility for operation, maintenance, repairs and alterations to the Leased Premises, but may enter into a sublease, subleases, contract or contracts with the City for the operation, maintenance, repair and alterations of the Leased Premises. At the end of the term of the Lease, the Lessee shall deliver the Leased Premises to Lessor in as good condition as at the beginning of the term, reasonable wear and tear only excepted. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by the Lessee. The proceeds of the sale of any personal property shall be paid to the Trustee. The Lessee may trade in any obsolete or worn out personal property for replacement property which replacement property will belong to the Lessee upon payment to the Trustee of an amount equal to the trade-in value of such property. The Lessee need not replace worn out or obsolete personal property, but may replace such property at its own expense, and the replacement property shall belong to the Lessee.

8. Insurance. The Lessee, at its own expense, will, during the full term of the Lease, keep the Leased Premises insured against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of facilities of a similar type, with good and responsible insurance companies acceptable to the Lessor and duly qualified to issue insurance policies in Indiana. Such insurance shall be in an amount equal to one hundred five percent (105%) of the full replacement cost of the Leased Premises as certified by a registered

architect, registered engineer or professional appraisal engineers, selected by the Lessor with the approval of the Trustee, on or before the beginning of the term of this Lease and on or before the first day of January of each year thereafter. Such appraisal may be based upon a recognized index of conversion factors. During the full term of this Lease, the Lessee will also, at its own expense, maintain rent or rental value insurance in amount equal to the full rental value of the Leased Premises for a period of two (2) years against physical loss or damage of the type insured against pursuant to the preceding requirements of this clause. During the full term of this Lease, the Lessee will also, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage with reference to the Leased Premises in an amount not less than Three Million Dollars ($3,000,000) on account of each occurrence with one or more good and responsible insurance companies. The public liability insurance required herein may be by blanket insurance policy or policies.

The proceeds of the public liability insurance required herein (after payment of expenses incurred in the collection of such proceeds) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds are paid. Such policies shall be for the benefit of persons having an insurable interest in the Leased Premises, and shall be made payable to the Lessor or to such other person or persons as the Lessor may designate. Such policies shall be countersigned by an agent of the insurer who is a resident of the State of Indiana, and such policies and the certificate of the architect or engineer hereinbefore referred to shall be deposited with the Lessor and the Trustee. If, at any time, the Lessee fails to maintain insurance in accordance with this Section, such insurance may be obtained by the Lessor and the amount paid therefor shall be added to the amount of rental payable by the

Lessee under this Lease; provided, however, that the Lessor shall be under no obligation to obtain such insurance and any action or non-action of the Lessor in this regard shall not relieve the Lessee of any consequence of its default in failing to obtain such insurance, including its obligation to continue the rental payments in case of total or partial destruction of the improvements as provided in Section 5. If the Lessor acquires the Leased Premises from anyone other than the City or the Commission, the Lessor shall obtain an owners' title insurance policy upon acquisition of the site for the Project with a good and responsible insurance company acceptable to the Lessor and qualified to issue title insurance policies in Indiana. This policy shall be for the value of the Leased Premises, and the insurance premium shall be treated as part of the costs of the Project.

9. Eminent Domain. If title to or the temporary use of the Leased Premises, or any part thereof, shall be taken under the exercise or the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any net proceeds received from any award made in such eminent domain proceedings (after payment of expenses incurred in such collection) shall be paid to and held by the Lessor.

Such proceeds shall be applied in one or more of the following ways:

(a) The restoration of the Leased Premises to substantially the same condition as it existed prior to the exercise of that power of eminent domain, or

(b) The acquisition, by construction or otherwise, of other improvements suitable for the Lessee's operations on the Leased Premises and which are in furtherance of the purposes of the Act with regard to the Redevelopment Area and the Plan (the improvements shall be deemed a part of the Leased Premises and available for use or occupancy by the Lessee without the

payment of any rent other than as herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby).

Within ninety (90) days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall direct the Lessor in writing as to which of the ways specified in this Section the Lessee elects to have the net proceeds of the condemnation award applied. Any balance of the net proceeds of the award in such eminent domain proceedings not required to be applied for the purposes specified in subsections (a) or (b) above shall be deposited by the Lessor in the Sinking Fund held by the Trustee under the Indenture.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof and will to the extent it may lawfully do to permit the Lessee to litigate in any such proceedings in its own name or in the name and on behalf of the Lessor. In no event will Lessor voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof with the written consent of the Lessee, which consent shall not be unreasonably withheld.

10. General Covenants. (a) The Lessee shall not assign this Lease or mortgage, pledge, or sublet the Leased Premises herein described, except as provided in Section 7, without the written consent of Lessor. The Lessee shall use and maintain the Leased Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, the City and all other proper governmental authorities.

(b) After the execution of this Lease, this Lease, the definition of, or the manner of collecting and distributing the Tax Increment and the lien created by this Lease, shall not be

repealed or amended, or impaired in any respect which will adversely affect the rights of the Lessor or owners of the Bonds, nor shall the Lessee, the Lessor or the City adopt any law, ordinance or resolution which in any way adversely affects the rights of the Lessor or such owners so long as this Lease remains in effect or any of the Bonds or the interest thereon remains unpaid.

11. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Lessee and the Lessor represent, covenant and agree that:

(1) No person or entity, other than the Lessor, the Lessee, the City, or another state or local governmental unit, will use the Leased Premises other than as a member of the general public. The Project consists of a parking facility in and serving the Redevelopment Area that will be available for general public use. The parking facility is located next to the Monroe County Convention Center and no one, including no users of the Convention Center, will have the right to use the parking facility on a basis different from that of the general public. No person or entity other than the Lessor, the Lessee, the City, or another state or local governmental unit will own the Leased Premises or will have actual or beneficial use of such Leased Premises pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large. The Lessee covenants that in any contracts entered into by the Lessee providing for the use of the Leased Premises which involve the conduct of a separate trade or business (a) the Leased Premises would be used only (i) by a governmental unit within the meaning of Section 141 of

the Internal Revenue Code of 1986 or (ii) by non-governmental units on the same basis as other members of the general public or (b) would not in the aggregate result in payments to the Lessee in an amount in excess of 5% of the principal of and interest on the Bonds.

(2) None of the payment of the lease rentals under this Lease or the principal of or interest on the Bonds is (under the terms of Bonds, the Lease or any underlying arrangement), directly or indirectly, secured by any interest in property used or to be used for private business use or payments in respect of such property, or to be derived from payments (whether or not to the Lessor, the Lessee, or the City) in respect of property or borrowed money used or to be used for a private business use. The Lessor and the Lessee acknowledge that taxpayers in the Redevelopment Area will pay all taxes levied on real and personal property in accordance with Indiana law.

(3) No Bond proceeds will be loaned to any entity or person. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred to any person or entity other than another state or local governmental unit in any manner that would in substance constitute a loan of the Bond proceeds.

(4) Neither the Lessor nor the Lessee will take any action or fail to take any action with respect to the Bonds, the Lease or the Leased Premises that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds under Section 103 of the Code, nor will they act in any other manner which would adversely affect such exclusion; and it will not make any investment or do any other act or thing during the period that the Bonds are outstanding which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(5) Unless the Bonds qualify for an exception under the Code, the Lessee and the Lessor will comply with the rebate requirements of Section 148(f) of the Code to the extent required by the Code to preserve the exclusion from gross income of interest on the Bonds. The Lessee will keep records of investments of funds in the Allocation Fund and the Surplus Fund and provide this information at least annually to the Lessor to enable to perform any rebate or penalty calculations.

(6) Payment of the lease rentals is not federally guaranteed under Section 149(b) of the Code.

(7) The covenants in this Section are based solely on current law in effect and in existence on the date of issuance of the Bonds. It shall not be an event of default under this Lease if interest on any Bonds is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the Bonds.

(8) All officers, members, employees and agents of the Lessor and the Lessee are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Lessor and the Lessee as of the date the Bonds are issued and to enter into covenants on behalf of the Lessor and the Lessee evidencing the Lessor's and the Lessee's commitments made herein. In particular, all or any members or officers of the Lessor and the Lessee are authorized to certify and enter into covenants regarding the facts and circumstances and reasonable expectations of the Lessor and the Lessee on the date the Bonds are issued and the commitments made by the Lessor and the Lessee herein regarding the amount and use of the proceeds of the Bonds.

Notwithstanding any other provisions of this Lease, the covenants and authorizations contained in this Lease ("Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income for federal tax purposes ("Tax Exemption") need not be complied with if the Lessee receives an opinion of nationally recognized bond counsel satisfactory to the Trustee and the Lessor that any Tax Section is unnecessary to preserve the Tax Exemption.

The Lessor and the Lessee represent that tax-exempt bonds, warrants, leases and other evidences of indebtedness by or on behalf of the City and any subordinate entity, including the Lessor, during the calendar year 1991 will be less than $10,000,000 in principal amount. At least 95% of the net proceeds of the Bonds shall be used for governmental activities of the Lessor. The Lessee acknowledges that the Lessor will designate the Bonds as qualified obligations pursuant to Section 265(b)(3) of the Code, relating to the exception for financial institutions from the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

12. Option to Renew. The Lessor hereby grants to the Lessee the right and option to renew this Lease for a further like or lesser term upon the same or like conditions as herein contained, and applicable to the portion of the premises for which the renewal applies, and the Lessee shall exercise this option by written notice to the Lessor given upon any rental payment date prior to the expiration of this Lease.

13. Option to Purchase. The Lessor hereby grants to the Lessee the right and option, on any rental payment date, upon sixty (60) days' written notice to the Lessor, to purchase the Leased Premises at a price equal to the amount required to enable the Lessor to liquidate as to

the Leased Premises by paying all indebtedness relating to the Leased Premises, including all premiums payable on the redemption thereof and accrued and unpaid interest, including the proportionate share of the expenses and charges of liquidation, if the Lessor is to be then liquidated. In no event, however, shall such purchase price exceed the capital actually invested in such property by the Lessor represented by outstanding securities or existing indebtedness plus the cost of transferring the property and liquidating the Lessor. The phrase "capital actually invested" as used herein shall be construed to include, but not by way of limitation, the following amounts expended by the Lessor: organization and incorporation expenses, financing costs, carrying charges, legal fees, architects' fees and reasonable costs and expenses incident thereto.

Upon request of the Lessee made not less than sixty (60) days prior thereto, the Lessor agrees to furnish an itemized statement setting forth the amount required to be paid by the Lessee on the next rental payment date in order to purchase the Leased Premises in accordance with the preceding paragraph. Upon the exercise of the option to purchase granted herein, the Lessor will upon payment of the option price deliver, or cause to be delivered, to the Lessee documents conveying to the Lessee or the City, all of the Lessor's title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to the property was subject when conveyed to Lessor; (ii) those liens and encumbrances created by the Lessee and to the creation or suffering of which the Lessee consented, and liens for taxes or special assessments not then delinquent; and (iii) those liens and encumbrances on its part contained in this Lease.

In the event of purchase of the Leased Premises by the Lessee or conveyance of the Leased Premises to the Lessee, the Lessee shall procure and pay for all surveys, title searches, abstracts, title policies and legal services that may be required, and shall furnish at the Lessee's expense all documentary stamps or tax payments required for the transfer of title.

Nothing contained herein shall be construed to provide that the Lessee shall be under any obligation to purchase the Leased Premises, or under any obligation in respect to the creditors, members, or security holders of the Lessor.

14. Transfer to Lessee. If the Lessee has not exercised its option to renew in accordance with the provisions of Section 12, and has not exercised its option to purchase the Leased Premises in accordance with the provisions of Section 13, and upon the full discharge and performance by the Lessee of its obligations under this Lease, the Leased Premises shall thereupon become the absolute property of the Lessee, subject to the limitations, if any, on the conveyance of the site for the Project to the Lessor, and upon the Lessee's request, Lessor shall execute proper instruments conveying to the Lessee or City, all of Lessor's title to the Leased Premises.

15. Defaults. If the Lessee shall default (a) in the payment of any rentals or other sums payable to the Lessor hereunder, or in the payment of any other sum herein required to be paid for the Lessor; or (b) in the observance of any other covenant, agreement or condition hereof, and such default shall continue for ninety (90) days after written notice to correct such default; then, in any or either of such events, the Lessor may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained herein, or for the enforcement of

any other appropriate legal or equitable remedy; or the Lessor, at its option, without further notice, may terminate the estate and interest of the Lessee hereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Leased Premises and the Lessee covenants to surrender the same forthwith upon demand.

The exercise by the Lessor of the above right to terminate this Lease shall not release the Lessee from the performance of any obligation hereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

16. Parity Obligations - Tax Increment. The Lessee reserves the right to enter into leases or other obligations of the Commission, acting in the name of the City, payable from Tax Increment, in whole or in part, and entitled to the pledge of Tax Increment on a parity with this Lease in accordance with the requirements set forth below ("Parity Obligations") for the purpose of raising money for future local public improvements or redevelopment projects in the Redevelopment Area. The authorization and issuance of such Parity Obligations shall be subject to the following conditions precedent:

(a) All rental payments due under the Lease and all payments on any Parity Obligations payable from the Tax Increment shall be current to date in accordance with the terms thereof, with no payment in arrears.

(b) For Parity Obligations payable from Tax Increment without a special benefits tax levy under IC 36-7-14-27 authorized to pay such Parity Obligations, the Lessee, the Lessor and the Trustee shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant certifying the amount of the Tax Increment estimated to be received in

each succeeding year, adjusted as provided below, which estimated amount shall be at least equal to one hundred twenty-five percent (125%) of the lease rental and debt service requirements with respect to the outstanding Lease and Parity Obligations and the proposed Parity Obligations, for each respective year during the term of the outstanding Lease and Parity Obligations. In estimating the Tax Increment to be received in any future year, an independent, qualified accountant or feasibility consultant shall base the calculation on assessed valuation actually assessed or estimated to be assessed as of the assessment date immediately preceding the issuance of the Parity Obligations; provided, however, the accountant or feasibility consultant shall adjust such assessed values for the current and future reductions of real property tax abatements granted to property owners in the Redevelopment Area.

(c)Payments of any Parity Obligations or junior obligations shall be payable semi-annually in approximately equal installments on January 15 and July 15.

The Lessee shall approve and confirm the findings and estimates set forth in the above-described certificate in any resolution authorizing the Parity Obligations. Except as provided in this Lease, the terms and conditions of any Parity Obligations shall be set forth in the resolution authorizing such Parity Obligations.

17. Notices. Whenever either party shall be required to give notice to the other under this Lease, it shall be sufficient service of such notice to deposit the same in the United States mail, in an envelope duly stamped, registered and addressed to the other party or parties at the following addresses: (a) to Lessor: Bloomington Municipal Facilities Corporation, Attention: President, City Hall, Box 100, Bloomington, Indiana, 47402; (b) to Lessee: Bloomington Redevelopment Commission, Attention: President, City Hall, Box 100, Bloomington, Indiana,

47402; and (c) to Trustee at the address set forth in the Addendum to the Lease regarding the appointment of the Trustee.

The Lessor, the Lessee and the Trustee may by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

18. Successors or Assigns. All covenants of this Lease, whether by the Lessor or the Lessee shall be binding upon the successors and assigns of the respective parties hereto.

19. Construction of Covenants. The Lessor was organized for the purpose of, among other things, acquiring, owning and holding in fee simple the land in the Redevelopment Area upon which the parking facilities shall be constructed and erecting thereon suitable parking facilities, including the necessary equipment and appurtenances thereof and leasing the same to the Lessee under the provisions of the Act. All provisions herein contained shall be construed in accordance with the provisions of the Act, and to the extent of inconsistencies, if any, between the covenants and agreements in this Lease and the provisions of the Act, the Act shall be deemed to be controlling and binding upon the Lessor and the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed for and on their behalf on the date first written above.

LESSOR

BLOOMINGTON MUNICIPAL FACILITIES CORPORATION

By: _____
President

(Seal)

Attest:

_____
Secretary

LESSEE

BLOOMINGTON REDEVELOPMENT COMMISSION

By: _____
President

(Seal)

Attest:

_____
Secretary

This instrument was prepared by Lucy A. Emison, Ice Miller Donadio & Ryan, One American Square, Box 82001, Indianapolis, IN 46282.

EXHIBIT A

DESCRIPTION OF PROJECT

This project consists of a 153 space surface parking lot with one attendant booth and two traffic entry gates. Land acquisition costs are approximately $650,000 and construction costs are $365,000. This property adjoins the Bloomington/Monroe County Convention Center and will serve as public parking for Convention Center events.

EXHIBIT B

LEGAL DESCRIPTION OF REAL ESTATE ON WHICH PROJECT WILL BE LOCATED

Lot Number Two (2) in CONVENTION CENTER SQUARE as shown on the plat thereof recorded in Plat Cabinet C, Envelope 22, in the Office of the Recorder of Monroe County, Indiana.

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, the undersigned, a Notary Public in and for this County and State, personally appeared Frona M. Powell and Lee Ann Merry, personally known to be the President and Secretary, respectively, of the Bloomington Municipal Facilities Corporation, and acknowledged the execution of the foregoing Lease Agreement for and on behalf of the Corporation.

WITNESS my hand and notarial seal this 10th day of October, 1991.

(Written Signature)

Kara N. Kalb
(Printed Name)

Notary Public

(Seal)

My Commission Expires:
22 July 1993

My County of Residence:
Monroe

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, the undersigned, a Notary Public in and for this County and State, personally appeared DORIS SIMS and DAVID P. WALTERS, personally known to be the President and Secretary, respectively, of the Bloomington Redevelopment Commission, and acknowledged the execution of the foregoing Lease Agreement for and on behalf of the Commission.

WITNESS my hand and notarial seal this 7th day of October, 1991.

Lea McKendry
(Written Signature)

LEA MCKENDRY
(Printed Name)

Notary Public

(Seal)

My Commission Expires:
10/8/94

My County of Residence:
MONROE