



# City of Bloomington Common Council

## Legislative Packet

Regular Session

15 April 2009

Office of the Common Council  
P.O. Box 100  
401 North Morton Street  
Bloomington, Indiana 47402

812.349.3409

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## Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

*None*

## Legislation for Final Action:

- **Res 09-04** To Reapprove Recommendations of the Mayor for Distribution of Community Development Block Grant (CDBG) Funds for 2009  
- Memo to Council, Regina Moore, City Clerk  
*Contact: Lisa Abbott, Director of the HAND Department at 349-3576 or [abbottl@bloomington.in.gov](mailto:abbottl@bloomington.in.gov)*

*Please see the [Legislative Packet Issued for the 25 February 2009 Committee of the Whole](#) for the Legislation, Summary, and Related Material.*

- **App Ord 09-02** To Specially Appropriate from the General Fund Expenditures Not Otherwise Appropriated (Appropriating Funds from the General Fund for Additional Design Services for Improvements at the Atwater and Henderson Intersection)  
- Memo to Council from Mike Trexler, Controller; Map  
*Contact: Mike Trexler at 349-3416 or [trexlerm@bloomington.in.gov](mailto:trexlerm@bloomington.in.gov)*
- **Ord 09-05** To Amend Title 4 of the Bloomington Municipal Code Entitled "Business Licenses and Regulations" - Re: Replacing Section 4.04.110 (Lunch wagon) and Chapter 4.16 (Itinerant Merchants) with Chapter 4.16 (Itinerant Merchants, Solicitors, and Peddlers)  
- Amendments Anticipated  
*Contact: Miah Michaelsen at 349-3534 or [michaelm@bloomington.in.gov](mailto:michaelm@bloomington.in.gov) or Patty Mulvihill at 349-3426 or [mulvihip@bloomington.in.gov](mailto:mulvihip@bloomington.in.gov)*

- **Ord 09-06** To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” (Changes in Provisions Regarding One-Way Alleys, Various Parking Regulations, Crosswalks, and Penalties)
  - Amendments Anticipated

*Contact: Justin Wykoff at 349-3417 or wykoffj@bloomington.in.gov  
Jacquelyn Moore at 349-3426 or mooreja@bloomington.in.gov*

*Please see the [Council Legislative Packet Issued for the 1 April 2009 Regular Session](#) for the Legislation, Summary, and Related Material.*

**Bond Refunding Legislation and Background Material for First Readings at the Regular Session on April 15<sup>th</sup>, Discussion at the Committee of the Whole on April 22<sup>nd</sup>, and Final Action at a Special Session on April 29<sup>th</sup>. ( Note: This Material is Listed in the Order It will be Presented for Discussion at the Committee of the Whole) :**

- **Introductory Material**
  - Memo to the Council from Dennis Otten, Bond Counsel, Bose McKinney & Evans, LLP; Summary of Potential Refunding; Summaries of Bond Refundings; Time Line for Approval of Refunding Bonds

*Contact: Mike Trexler at 349-3412 or trexlerm@bloomington.in.gov  
Vickie Renfrow at 349-3426 and renfrowc@bloomington.in.gov  
Dennis Otten (via Council Office)*
- **Ord 09-07** An Ordinance Concerning the Current Refunding by the City of Bloomington, Indiana, of Its General Obligation Bonds of 1998; Authorizing the Issuance of General Obligation Refunding Bonds for Such Purpose; Providing for the Safeguarding of the Interests of the Owners of Said Refunding Bonds; Other Matters Connected Therewith; and Repealing Ordinances Inconsistent Herewith
  - Exh. A – Bond Purchase Agreement; Exh. B – Escrow Agreement; Exh. C – Continuing Disclosure Undertaking Agreement
- **App Ord 09-03** To Effect Refunding of the City of Bloomington 1998 General Obligation Bonds
- **Res 09-05** Resolution of the City of Bloomington, Indiana Approving the Current Refunding of the Bloomington Municipal Facilities Corporation Economic Development Lease Rental Bonds of 1998

- **Res 09-06** Resolution of the City of Bloomington, Indiana Approving the Current Refunding of the Bloomington Municipal Facilities Corporation First Mortgage Refunding Bonds of 1998
- **Ord 09-08** An Ordinance of the Common Council of the City of Bloomington, Indiana, Approving the Issuance and Sale of Refunding Revenue Bonds By the City for and on Behalf of the Bloomington Park and Recreation District to Provide a Savings to the Park District

*Please see this packet for the legislation, summary, and related material.*

**Minutes from Regular Session:**

*None*

**Memo**

**Reminder:** Staff/Council Internal Work Session on Friday, April 17<sup>th</sup>  
at 11:00 a.m. in the McCloskey Room

**Four Items Ready for Final Action and Three Items Ready for Introduction at the Regular Session on April 11<sup>th</sup>**

There are four items ready for final action and three items ready for introduction at the Regular Session next Wednesday. The four items ready for final action include a new resolution, which is explained immediately below and joins the three items discussed at the last Committee of the Whole. The three items ready for introduction are part of a five-piece bond refunding package, which is included in this packet and summarized herein. Please refer to the foregoing list of legislation if you have any questions about where to find the material.

**One Additional Item Ready for Final Action –  
Res 09-04 (Reapproving CDBG Allocations for 2009)**

**Res 09-04** reapproves the Mayor's recommendations for the allocation of Community Development Block Grant (CDBG) funds for 2009. The Council already acted on these recommendations on March 4<sup>th</sup>, with the adoption of **Res 09-03**, but that resolution was not presented to the Mayor for signature in a timely fashion. Action on this resolution Wednesday will keep the City on course to receive these funds later this year.

*Please see the [Council Legislative Packet Issued for the 25 February 2009 Committee of the Whole](#) for the Legislation, Summary, and Related Material.*

**Amendments to Ord 09-06 (Traffic Ordinance) and Ord 09-05 (Itinerant Merchants) Expected**

The Council discussed many possible amendments last night which will need to be prepared for the next meeting. Based upon my notes, the amendments will cover the following areas:

Ord 09-06 (Traffic Ordinance)

- Perhaps amend Sections 3 and 4 of the ordinance to allow for parking where it would be eliminated (particularly on Walnut between 7<sup>th</sup> and 8<sup>th</sup> Street) – Volan and, I believe, Piedmont-Smith

Ord 09-05 (Itinerant Merchants, Peddlers and Solicitors)

- Prohibit vendors from idling motorized vehicles (Piedmont-Smith);
- Set forth an application process that is fair and transparent (Piedmont-Smith);
- Review authority to deny applications based upon criminal convictions of applicants and employees within the last 10 years (Many – varying approaches);
- Prohibit entry of any portion of SSN in electronic form (Satterfield);
- Correct typo in third whereas clause.

Please let me and Stacy Jane know of your thoughts on these and other potential amendments you want prepared for the Regular Session. Please consider sharing your thoughts with Miah, Patty and Danny as well.

**Special Session on April 29<sup>th</sup> to Consider Approval of Design of Physical Improvements at the Indiana Enterprise Center and the Refunding Bonds (Mentioned Below)**

At the Internal Work Session on March 27<sup>th</sup>, the Council agreed to hold a Special Session on April 29<sup>th</sup> to consider a resolution approving the design for physical improvements at the Indiana Enterprise Center (IEC). This meeting falls on the fifth Wednesday of April (right after the Jack Hopkins Social Services Funding Committee meets for it's initial review of this year's applications). The refunding bonds, which take up the remainder of this memo, will also be ready for final action

that evening. Your action on them that night would allow them to be marketed a week earlier than otherwise and might present an opportunity for savings.

### **Refunding Bond Legislative Package**

This packet contains four pieces of legislation that authorize the refunding of four bonds with an outstanding balance of about \$22.29 million in order to save about \$1.29 million over the life of the bonds in Net Present Value<sup>1</sup> and about \$200,000 to \$300,000 per year. It also contains an appropriation ordinance that authorizes the spending of the proceeds of one of the bonds to refund an old one and pay for the cost of issuing the new one. As mentioned above, these items will be up for consideration during the second legislative cycle in April with final action on April 29<sup>th</sup> (rather than May 6<sup>th</sup>).

This summary is based upon the memo from Dennis Otten, Bond Counsel, material provided by Mike Trexler, Controller, and Vickie Renfrow, Assistant City Attorney, and the legislation. It highlights the fiscal impact of the proposal and only briefly mentions the procedures the City must follow in order to finance debt in this manner. That information is touched upon in the memo from Mr. Otten and, to some extent, reflected in the legislation and attachments.

### **Background**

Low interest rates are offering the City an opportunity to save money by issuing new bonds to pay for old ones as well as the cost of issuing the new ones.<sup>2</sup> It's my understanding that the City has reviewed its outstanding bonds and found four that are worth refunding for an overall savings of about \$1.29 million. In the case of the Parks District Bond, the refunding will also help flatten out what would otherwise be an escalating annual payment. Please note that while one bond is approved solely by the Council, the three other bonds are approved by one or a combination of the following: Bloomington Municipal Facilities Corporation, Board of Public Works, Redevelopment Commission and Board of Park Commissioners. In every instance, the approving body must find that the refunding bonds will save the City money.

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<sup>1</sup> Net Present Value is the value today of a stream of income or expenditures that runs into the future.

<sup>2</sup> The cost for each bond issue includes about \$50,000 plus the underwriter's fee of \$5.00 per \$1,000 of bond issuance (or one-half of one percent of the issuance). The \$50,000 covers the bond counsel (at a per-hour rate plus expenses), rating the bond, and preparing and printing of the Preliminary Official Statement and Final Official Statement.

As you may imagine, given the magnitude of funds involved, there are many layers of procedure driven by statute and banking practices that must be followed in order to issue bonds. Many of these procedures are designed to give the purchasers of the bonds information about the financial health of the City in order for them to determine the risks involved and interest rate they are willing to receive for the bonds and to also provide assurances that the bonds will eventually be repaid.

After the local governing bodies have approved the bonds, our underwriter, J.J.B. Hilliard, W.L. Lyons, LLC, will work with the City to “price” the bonds and our financial advisor, London Witte Group, LLC, will prepare statements regarding our fiscal condition and the status of bond funds. This could occur as early as May, but might not occur at all if the savings are not suitable. Then the proceeds of the new bonds will be used to redeem the old bonds and pay the costs for issuing them. Please note that the bond counsel as well as representatives from our underwriter and financial advisor will be present at the Committee of the Whole on April 22<sup>nd</sup> to answer any of your questions.

**Bonds**

Here is a summary of the proposed refundings. Please note that they do *not*:

- require issuance if the market is not right for us;
- involve new (additional) money; nor
- extend the maturity dates of the initial obligations.

**Ord 09-07** refunds T2000 General Obligation Bonds (1998 G.O. Bonds) by issuing 2009 G.O. Bonds.

Use of Bonds

The T2000 GO Bonds (authorized by Ord 98-16) were primarily used to expand College Mall Road and construct the traffic circle at the High/Rogers/Winslow intersection.

<u>Original Issuance Amount</u>	<u>Outstanding Amount</u>	<u>Estimated Amount for New Issuance</u>	<u>Estimated Savings (Net Present Value)</u>
\$7.75 Million	\$6.02 Million	*\$6.205 Million	\$300,827

\* The bonds may be issued and sold in the maximum amount of \$6.4 million for no less than 98% par value at an interest rate of no more than 6% and with a maturity date not beyond 1/1/2017. Note: The Council, rather than one of the City’s boards or commissions (as is the case with the other bonds below), takes the lead on the issuance of this bond. As such, the ordinance is longer and includes three attachments necessary to place bonds in the market: Exh. A (Bond Purchase Agreement); Exh. B (Escrow Agreement); and, Exh. C (Continuing Disclosure Undertaking Agreement).

**App Ord 09-03** appropriates the proceeds from the aforementioned new bonds to refund the old ones and paying the cost of issuing the new bonds.

**Res 09-05** refunds T2000 Bloomington Municipal Facilities Corporation (BMFC) Economic Development Bonds of 1998 (1998 Lease Bonds) by issuing 2009 Lease Bonds.

Use of Bonds

The 1998 Lease Bonds (authorized by Ord 98-17) were primarily used to construct the Patterson Drive truck route, 3<sup>rd</sup>/5<sup>th</sup>/Adams intersection realignment and widening W. 3<sup>rd</sup> east of S.R. 37.

<u>Original Issuance Amount</u>	<u>Outstanding Amount</u>	<u>Estimated Amount for New Issuance</u>	<u>Estimated Savings (Net Present Value)</u>
\$11.75 Million	\$8.115 Million	* \$8.355 Million	\$525,112

\* The bonds may be issued and sold in the maximum amount of \$8.6 million for no less than 98% par value at an interest rate of no more than 6% with a maturity date not beyond 8/1/2019 and with a redemption premium of no more than 2% (should the City want to call the bonds before the agreed upon date). Note: The BMFC and Bloomington Redevelopment Commission are responsible for taking a number steps in regard to this issuance which are scheduled for various dates in April.

**Res 09-06** refunds BMFC First Mortgage Refunding Bonds of 1998 (1998 Mortgage Bonds) by issuing the 2009 Mortgage Bonds.

Use of Bonds

The 1998 Mortgage Bonds actually refunded bonds issued in 1994 (and authorized by Ord 93-46) which were used to renovate the Showers Center – City Hall.



<u>Original Issuance Amount</u>	<u>Outstanding Amount</u>	<u>Estimated Amount for New Issuance</u>	<u>Estimated Savings (Net Present Value)</u>
\$8.66 Million	\$5.94 Million	* \$6.17 Million	\$384,629

\* The bonds may be issued and sold in the maximum amount of \$6.5 million for no less than 98% par value at an interest rate of no more than 6% and with a maturity date not beyond 8/1/2019. Note: The BMFC and Board of Public are responsible for taking a number steps in regard to this issuance which are scheduled for various dates in April.

**Ord 09-08** refunds the Parks District Revenue Bonds of 1999 (1999 Park Bonds) by issuing the 2009 Park Bonds.

### Use of Bonds

The 1999 Park Bonds were used to expand and improve the Cascades Golf Course.

<u>Original Issuance Amount</u>	<u>Outstanding Amount</u>	<u>Estimated Amount for New Issuance</u>	<u>Estimated Savings (Net Present Value)</u>
\$2.46 Million	\$2.21 Million	* \$2.3 Million	\$84,114

\* These revenue bonds may be issued and sold in the maximum amount of \$2.7 million for no less than 98% par value at an interest rate of no more than 6% and with a maturity date not beyond 2/1/2019. Note: The Board of Park Commissioners is responsible for taking a number steps in regard to this issuance which are scheduled for various dates in April. Please also note that these bonds are being refunded not only for the savings but also to flatten out what would otherwise be an escalating payment amount.

**Happy Birthday Susan Sandberg (April 10<sup>th</sup>)!**

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL REGULAR SESSION  
7:30 P.M., WEDNESDAY, APRIL 15, 2009  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. APPROVAL OF MINUTES FOR: None**

**IV. REPORTS FROM:**

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
- 4. Public**

**V. APPOINTMENTS TO BOARDS AND COMMISSIONS**

**VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS**

1. Resolution 09-04 To Reapprove Recommendations of the Mayor for Distribution of Community Development Block Grant Funds for 2009

Committee Recommendation: N/A

2. Appropriation Ordinance 09-02 To Specially Appropriate from the General Fund Expenditures Not Otherwise Appropriated (Appropriating Funds from the General Fund for Additional Design Services for Improvements at the Atwater and Henderson Intersection)

Committee Recommendation: Do Pass 8 – 0 – 1

3. Ordinance 09-06 To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” (Changes in Provisions Regarding One-Way Alleys, Various Parking Regulations, Crosswalks, and Penalties)

Committee Recommendation: Do Pass 4 – 2 – 3

4. Ordinance 09-05 To Amend Title 4 of the Bloomington Municipal Code Entitled “Business Licenses and Regulations” Re: Replacing Section 4.04.110 (Lunch Wagon) and Chapter 4.16 (Itinerant Merchants) with Chapter 4.16 (Itinerant Merchants, Solicitors, and Peddlers)

Committee Recommendation: Do Pass 3 – 1 – 5

**VII. LEGISLATION FOR FIRST READING**

1. Appropriation Ordinance 09-03 To Effect Refunding of the City of Bloomington 1998 General Obligation Bonds
2. Ordinance 09-07 An Ordinance Concerning the Current Refunding by the City of Bloomington, Indiana, of its General Obligation Bonds of 1998; Authorizing the Issuance of General Obligation Refunding Bonds for Such Purpose; Providing for the Safeguarding of the Interests of the Owners of Said Refunding Bonds; Other Matters Connected Therewith; and Repealing Ordinances Inconsistent Herewith
3. Ordinance 09-08 An Ordinance of the Common Council of the City of Bloomington, Indiana, Approving the Issuance and Sale of Refunding Revenue Bonds by the City for and on Behalf of the Bloomington Parks and Recreation District to Provide a Savings to the Park District

*Please note: These and other related items are scheduled for final action at a Special Session on April 29, 2009.*

**VIII. PRIVILEGE OF THE FLOOR** (This section of the agenda will be limited to 25 minutes maximum, with each speaker limited to 5 minutes)

**IX. ADJOURNMENT**



**City of Bloomington  
Office of the Common Council**

To: Council Members  
From: Council Office  
Re: Calendar for the Week of April 13-18, 2009

**Monday, April 13, 2009**

4:00 pm Utilities Service Board Finance Subcommittee, 600 E Miller Dr  
5:00 pm Utilities Service Board, Board Room, 600 E Miller Dr  
5:30 pm Bloomington Community Arts Commission, McCloskey  
5:30 pm Plan Commission Special Meeting (UDO Amendments), Council Chambers

**Tuesday, April 14, 2009**

5:30 pm Bloomington Public Transportation Corporation, Public Transportation Center, 130 W Grimes Lane  
5:30 pm Board of Public Works, Council Chambers  
6:00 pm City of Bloomington Commission on Sustainability, McCloskey  
6:30 pm Sister Cities International, Dunlap Room

**Wednesday, April 15, 2009**

9:30 am Tree Commission, Rose Hill Cemetery Office, 930 W 4<sup>th</sup> St  
2:00 pm Organizational Planning for Local Arts Agencies, McCloskey  
7:00 pm Council of Neighborhood Associations, McCloskey  
7:30 pm Common Council Regular Session, Council Chambers

**Thursday, April 16, 2009**

8:00 am Bloomington Housing Authority, Housing Authority, 1007 N Summit, Community Room  
9:00 am Indiana Park and Recreation Association, Central and Southern District Meeting, Council Chambers  
11:30 am Public Workshop for the 10th Street Campus Mobility Study, Room 1B of the Monroe County Public Library, 303 E. Kirkwood Ave  
3:30 pm Bloomington Municipal Facilities Corporation, Hooker Room  
5:00 pm Public Workshop for the 10th Street Campus Mobility Study, Room CG2077 of the Kelley School of Business Graduate and Executive Education Center, NW corner of N Fee Ln and E 10<sup>th</sup> St  
7:00 pm Bloomington Peak Oil Task Force, McCloskey

**Friday, April 17, 2009**

11:00 am Common Council Internal Work Session, Council Chambers  
12:00 pm Domestic Violence Task Force, McCloskey  
12:00 pm Redevelopment Commission, Hooker Room

**Saturday, April 18, 2009**

8:00 am Bloomington Community Farmers' Market, Showers Common, 401 N. Morton

*Posted and Distributed: Thursday, April 9, 2009*

# **Legislation**

## RESOLUTION 09-04

### TO REAPPROVE RECOMMENDATIONS OF THE MAYOR FOR DISTRIBUTION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR 2009

WHEREAS, the City of Bloomington, Indiana, is eligible for Community Development Block Grant (CDBG) funds in the approximate amount of \$744,000.00 for Fiscal Year 2009 pursuant to the Housing and Community Development Act of 1974 as amended; and

WHEREAS, the national objectives of the Community Development Program are:

1. first and foremost, the development of viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities principally for person of low and moderate income; and
2. the elimination of slums and blight, and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally for persons of low and moderate income; and
3. the elimination of conditions which are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance, and related activities; and
4. the conversion and expansion of the nation's housing stock in order to provide a decent home and suitable living environment for all persons, but principally those of low and moderate income; and
5. the expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income, which are essential for sound community development and for development of viable urban communities; and
6. the integration of income groups throughout the community by spreading persons of lower income into more prosperous neighborhoods and drawing persons of higher income to declining or deteriorated neighborhoods; and
7. the alleviation of physical and economic distress through the stimulation of private investment and community revitalization; and

WHEREAS, a proposed statement of community development objectives and projected use of the funds has been advertised; and

WHEREAS, said statement and projected use of funds reflects programs recommended by the Mayor with input from the Citizen's Advisory Committees and the Redevelopment Commission and are consistent with local and national objectives of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, Resolution 09-03, which approved the following funding recommendations, was adopted by the Common Council on March 4, 2009, but was not presented to the Mayor in a timely fashion and, for that reason, this resolution has been prepared for reapproval by the Common Council;

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

SECTION I: The following programs be approved as follows:

**COMMUNITY DEVELOPMENT PROGRAMS FISCAL YEAR 2009  
SOCIAL SERVICE PROGRAMS FUNDING**

Hoosier Hills Food Bank	\$21,925.00
Community Kitchen	\$21,813.00
Mother Hubbard's Cupboard	\$21,075.00
Stepping Stones	\$15,477.00
Middle Way House, Inc.	\$15,458.00
Monroe County United Ministries	\$15,852.00
Total	\$111,600.00

**COMMUNITY DEVELOPMENT PROGRAMS FISCAL YEAR 2009  
PHYSICAL IMPROVEMENT PROGRAMS FUNDING**

Abilities Unlimited – Home Modification for Accessible Living	\$90,000.00
Bloomington Housing Authority – Exterior Renovations	\$91,610.00
HAND – Emergency Home Repair	\$65,000.00
HAND – Furnace & Insulation Program	\$28,500.00
Monroe County United Ministries – Interior Remodeling	\$11,116.00
Public Works – Country Club Sidepath	\$167,374.00
HAND – Curb & Sidewalks	\$30,000.00
Total	\$483,600.00

**ADMINISTRATION**

Administration of Housing and Neighborhood Development Department	\$148,800.00
Total	\$148,800.00

**TOTAL CDBG ALLOCATION** **\$744,000.00**

SECTION II. In the event the City of Bloomington receives more or less of the anticipated funding that amount shall be distributed in the following manner:

Physical Improvements: If HAND receives less than 10% more than expected, the additional funds will be split evenly between the Housing Authority and the Department of Public Works. If HAND receives more than 10%, the first \$48,360 will be split evenly between the Housing Authority and Public Works and the remaining funds will be equally divided between the other applications up to their requested amounts. If HAND receives less than expected, the amounts will be equally deducted from all applications except Monroe County United Ministries.

Social Services: If HAND receives more than expected, the top three scoring applications will receive an increase proportionally to their allocation. The remaining three applications will get an equal share of the remainder of the funds. If HAND receives less than expected, the reduction will be made proportionately over all allocations.

SECTION III. This resolution 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 \_\_\_\_\_ day of \_\_\_\_\_, 2009

\_\_\_\_\_  
ANDY RUFF, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2009

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
MARK KRUZAN, Mayor

#### SYNOPSIS

The City of Bloomington is eligible for a Community Development Block Grant of \$744,000 from the Department of Housing and Urban Development for fiscal year 2009. This resolution allocates that funding. It outlines program recommendations by the Mayor with input from the Citizen's Advisory Committee and the Redevelopment Commission. General program areas include: Social Service Programs, Physical Improvements, Housing Programs, Neighborhood Improvements, and Administrative Services.

*Note: Resolution 09-03, which approved the foregoing funding recommendations, was adopted by the Common Council on March 4, 2009, but was not presented to the Mayor in a timely fashion and, for that reason, this resolution has been prepared for reapproval by the Common Council.*



City of Bloomington  
Office of the Clerk

April 9, 2009

To: Mayor Mark Krusan

Lisa Abbot, Housing and Neighborhood Development  
Marilyn Patterson, Housing and Neighborhood Development  
Bob Woolford, Housing and Neighborhood Development  
Council Members

Re: An explanation for the need to consider Resolution 09-04: To Reapprove  
Recommendations of the Mayor for Distribution of Community Development Block  
Grant (CDBG) Funds For 2009 at the 4/15/09 council meeting.

Dear Co-workers and Councilmembers:

Because Resolution 09-04 is a reconsideration of a resolution that the council already  
passed, I feel that an explanation from me is necessary.

Resolution 09-03 that approved the CDBG Block Grant funds for 2009 was passed by the  
council on March 4, 2009 and signed by council president Andy Ruff that evening along  
with App Ord 09-01 (to appropriate grant fund monies for the Animal Care and Control  
Department).

Resolution 09-03, however, was inadvertently filed in the wrong folder after the meeting,  
and instead of going into the folder for the mayor's signature, ended up filed with the  
completed legislation on my desk. This wasn't discovered until I was ready to copy,  
distribute and permanently file the completed legislation as usual.

I'm so sorry if correcting this error has complicated your program timing, and apologize  
for any inconvenience.



## **Bond-Related Ordinances**

<b>Introduction:</b>	<b>April 15<sup>th</sup></b>	<b>Regular Session</b>
<b>Discussion:</b>	<b>April 22<sup>nd</sup></b>	<b>Committee of the Whole</b>
<b>Final Action:</b>	<b>April 29<sup>th</sup></b>	<b>Special Session</b>

ATTORNEYS AT LAW

TO: Vickie Renfrow, Assistant City Attorney  
FROM: Dennis H. Otten, Bond Counsel  
DATE: April 3, 2009  
RE: City of Bloomington, Indiana - Bond Refunding Program

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This memorandum provides a summary of (i) a bond refunding program (the “Refunding Program”) for the City of Bloomington, Indiana (the “City”) that will result in a net present value savings in debt service to the City and (ii) the steps necessary to complete the Refunding Program.

*Summary of the Refunding Program*

The Refunding Program consists of the current refunding of the following outstanding bond issues:

1. \$8,115,000 Bloomington Municipal Facilities Corporation (the “BMFC”) Economic Development Lease Rental Bonds of 1998 (the “1998 Lease Bonds”)
2. \$5,940,000 BMFC First Mortgage Refunding Bonds of 1998 (the “1998 Mortgage Bonds”)
3. \$6,020,000 General Obligation Bonds of 1998 (the “1998 GO Bonds”)
4. \$2,210,000 Park District Bonds of 1999 (the “1999 Park Bonds”)

The 1998 Lease Bonds, the 1998 Mortgage Bonds, the 1998 GO Bonds and the 1999 Park Bonds (collectively, the “Refunded Bonds”), will be currently refunded through the issuance of the following bonds, respectively:

1. \$8,355,000 BMFC Lease Rental Refunding Bonds, Series 2009 (the “2009 Lease Bonds”)
2. \$6,170,000 BMFC First Mortgage Refunding Bonds, Series 2009 (the “2009 Mortgage Bonds”)
3. \$6,205,000 General Obligation Refunding Bonds, Series 2009 (the “2009 GO Bonds”)
4. \$2,300,000 Park District Refunding Revenue Bonds, Series 2009 (Cascades Project) (the “2009 Park Bonds”)

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Through the issuance of the 2009 Lease Bonds, the 2009 Mortgage Bonds, the 2009 GO Bonds and the 2009 Park Bonds (collectively, the “Refunding Bonds”) the respective Refunded Bonds will be refunded by a deposit of the proceeds of the Refunding Bonds into escrow accounts for each issue. The total debt service on the Refunding Bonds will be less than the total debt service on the Refunded Bonds<sup>1</sup> and, consequently, the City will realize a savings in property tax dollars, county option income taxes and tax increment dollars, which have been pledged, in one or more combinations, to the Refunding Bonds.

The Refunding Bonds will be secured in the same manner as the Refunded Bonds (i.e., there are no new pledges of additional security necessary to issue the Refunding Bonds).

#### *Steps to Complete the Refunding Program*

##### Bond Proceedings

In order to complete the Refunding Program, the Refunding Bonds will need to be issued. In order to issue the Refunding Bonds, certain resolutions and ordinances will need to be adopted by the Common Council of the City (the “Council”), the BMFC, the Bloomington Board of Park Commissioners (the “BPC”), the Bloomington Redevelopment Commission (the “RDC”) and the Bloomington Board of Public Works (the “BPW”). Based upon the current timetable for the Refunding Program, all of the resolutions and ordinances (collectively, the “Bond Proceedings”) are expected to be adopted by early May, 2009. A more detailed summary of the Bond Proceedings follows under the heading “*Summary of Bond Proceedings*”.

##### Pricing the Refunding Bonds

Once the Bond Proceedings have been adopted, the underwriter for the Refunding Bonds, J.J.B. Hilliard, W.L. Lyons, LLC (the “Underwriter”) will be in a position to price the Refunding Bonds. The Underwriter will continually coordinate with the City as to the current market conditions to assure that the Refunding Bonds will be priced at a time that will provide substantial savings to the City. The current timetable anticipates a pricing of the Refunding Bonds in May but the actual pricing will be subject to the then market conditions with the goal of maximizing savings to the City. In connection with the marketing of the Refunding Bonds, London Witte Group LLC (the “Financial Advisor”) will be preparing preliminary and final official statements for the Refunding Bonds.

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<sup>1</sup> This is accomplished through the sale of the Refunding Bonds in the current financial market which allows pricing of the Refunding Bonds at a lower overall interest rate/yield than the Refunded Bonds.

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### Closing the Refunding Bonds

Once the Refunding Bonds have been priced, the purchase contract for each of the Refunding Bonds will be executed and the closing will occur approximately 10 to 14 days thereafter. At closing, bond counsel, Bose McKinney & Evans LLP will deliver the bond opinions to the Underwriter for each of the Refunding Bond issues. Also, the Financial Advisor will provide lease sufficiency reports and escrow verification reports. The Refunding Bonds will be delivered to the Underwriter in exchange for the purchase price of the Refunding Bonds which will be immediately used to fully fund the escrows for the Refunded Bonds and pay costs of issuance of the Refunding Bonds. The Bank of New York Mellon Trust Company, N.A., will serve as escrow trustee and will deliver notice of redemption to the holders of the Refunded Bonds upon the closing. Approximately 30 days after delivery of this notice, the Refunded Bonds will be retired in full with the funds held in the escrow.

### *Summary of Bond Proceedings*

The following is a summary of the Bond Proceedings that will need to be approved by the BMFC, the BPW, the RDC, the BPC and the Council.

#### BMFC

The BMFC approvals are related only to the 2009 Lease Bonds and 2009 Mortgage Bonds. The BMFC will be required to adopt two resolutions - one authorizing the issuance of its 2009 Lease Bonds and the second authorizing the issuance of its 2009 Mortgage Bonds. The resolutions include parameters for the maximum amount of the bonds authorized to be issued, maximum interest rates and discount on the bonds. The resolutions also approve the forms of supplemental indentures, amendments to lease agreements, the escrow agreements, the purchase agreements and the continuing disclosure agreements. These documents will be executed in final form once the Refunding Bonds have been priced and a closing date has been determined.

#### BPW

The BPW approval relates only to the 2009 Mortgage Bonds since it is the lessee of the project financed with the 1998 Mortgage Bonds. The BPW will be required to adopt one resolution which approves the issuance by the BMFC of the 2009 Mortgage Bonds, approves the forms of second amendment to lease agreement and continuing disclosure undertaking agreement, and authorizes the execution of such documents by the President and Secretary of the BPW.

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### RDC

The RDC approval relates only to the 2009 Lease Bonds since it is the lessee of the project financed with the 1998 Lease Bonds. The RDC will be required to adopt one resolution which approves the issuance by the BMFC of the 2009 Lease Bonds, approves the forms of first amendment to lease agreement and continuing disclosure undertaking agreement, and authorizes the execution of such documents by the President and Secretary of the RDC.

### BPC

The BPC approvals are related only to the 2009 Park Bonds. The BPC will be required to adopt two resolutions – the bond resolution and the appropriation resolution. The bond resolution authorizes the refunding of the 1999 Park Bonds, authorizes the issuance of up to \$2,700,000 principal amount of bonds for that purpose and approves various forms of financing documents necessary for the refunding, including (i) the bond purchase agreement, (ii) the escrow agreement and (iii) the continuing disclosure undertaking agreement. These agreements will be executed in final form once the Refunding Bonds have been priced and a closing date has been determined. The bond resolution also includes various tax covenants necessary to assure the 2009 Park Bonds may be issued as tax-exempt for purposes of federal tax law, establishes a flow of funds for the payment of debt service on the 2009 Park Bonds and authorizes the appointment of a registrar and paying agent for the 2009 Park Bonds.

The BPC will also adopt an appropriation resolution authorizing the appropriation of the proceeds of the 2009 Park Bonds for the refunding of the 1999 Park Bonds. The 1999 Park Bonds are secured by the net revenues of the Cascades Golf Course and, as a back-up, property taxes of the Park District. Although the net revenues of the Cascades Golf Course will be the primary source of payment on the 2009 Park Bonds, an appropriation of the proceeds of the 2009 Park Bonds will be necessary since property tax proceeds could, if necessary, be used to pay debt service. This resolution will be adopted following a public hearing thereon. Notice of the hearing will be published at least 10 days prior to the meeting at which the hearing will be held (anticipated for April 28).

### Council

The Council approvals will be necessary for each issue of the Refunding Bonds. For the 2009 Lease Bonds and 2009 Mortgage Bonds, the Council will be required to adopt resolutions which approve each issue of these bonds and the refunding of the 1998 Lease Bonds and the 1998 Mortgage Bonds. These resolutions include parameters on the maximum amount of bonds which can be issued, the maximum interest rate and discount. For the 2009 Park Bonds, the Council will be required to adopt an ordinance which approve the issuance of the 2009 Park Bonds.

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With respect to the 2009 GO Bonds, the Council will be required to adopt two ordinances – the bond ordinance and the appropriation ordinance. The bond ordinance authorizes and approves the refunding of the GO Bonds, the issuance of up to \$6,400,000 principal amount of the 2009 GO Bonds and the various forms of financing documents necessary for the refunding, including (i) the bond purchase agreement, (ii) the escrow agreement and (iii) the continuing disclosure undertaking agreement. These agreements will be executed in final form once the Refunding Bonds have been priced and a closing date has been determined. The bond ordinance also includes various tax covenants necessary to assure the 2009 GO Bonds may be issued as tax-exempt for purposes of federal tax law, establishes a flow of funds for the payment of debt service on the 2009 GO Bonds and authorizes the appointment of a registrar and paying agent for the 2009 GO Bonds.

The appropriation ordinance authorizes the appropriation of the proceeds of the 2009 GO Bonds for the refunding. Since the 2009 GO Bonds are secured by property taxes of the City, an appropriation of the proceeds of the 2009 GO Bonds is necessary. This ordinance will need to be adopted following a public hearing thereon. Notice of the hearing will need to be published at least 10 days prior to the meeting at which the hearing will be held.

*Conclusion*

Assuming the Bond Proceedings are completed in early May and the market conditions remain favorable for the pricing of the Refunding Bonds, all of the Refunding Bonds can be issued in May at which time the City will realize the savings as a result thereof - thereby accomplishing the goal of the Refunding Program.

If you should have any questions or need additional information, please do not hesitate to contact me at 317-684-5307.

**City of Bloomington**  
Summary of Potential Refundings  
4/03/2009

Legislation	Use of bond funds	Source of Payment	Call Date	Maturity Date	Current Rating	Original Issuance Amount	Outstanding Principal Amount	Estimated Net Present Value Savings
Ord. 09-07 refunding T2000 G.O. bonds if 1998, w/ App. Ord. 09-03	T2000 funds were used for many street & sidewalk improvements including College Mall Road widening, Winslow/High/Rogers intersection realignment (roundabout), etc.	Property Taxes	7/1/2009	1/1/2017	AA-/A1	\$7,750,000	\$6,020,000	\$300,827
Res. 09-05 refunding T2000 BMFC Economic Development bonds if 1998	Paterson Drive truck route, Third Fifth Adams intersection realignment and widening of W. Third Street between Ind. 37, etc.	TIF	8/1/2009	1/1/2017	AA-/A1	11,750,000	8,115,000	525,112
Res. 09-06 refunding BMFC First Mortgage Refunding bonds of 1998	Showers building project; the 1998 refunding bonds were issued to reduce interest costs on the original issuance which occurred in 1994, and we again have an opportunity to reduce interest costs further	COIT	8/1/2009	1/1/2021	AA-/A1	8,660,000	5,940,000	384,629
Ord. 09-08 refunding Parks District Revenue bonds of 1999	Cascades Golf Course expansion and improvements	Revenues of Cascades Golf Course	30 day notice	2/1/2019	Insured - AAA	2,460,000	2,210,000	84,114
<b>Total</b>						<b>\$30,620,000</b>	<b>\$22,285,000</b>	<b>\$1,294,682</b>

## 2009 Refundings Timeline:

- 3-Apr. Wed. Ordinances and Resolutions to Dan Sherman (GO ordinance w/ appropriation ordinance; Parks ordinance; BMFC Showers resolution; BMFC Econ. Dev. Resolution; & Bond Counsel memorandum)
- 3-Apr. Thurs. RDC packet goes out (resolution w/ 1<sup>st</sup> lease amendment & continuing disclosure agreement)
- 3-Apr. Fri. BPC packet goes out (resolution w/ purchase agreement, escrow agreement, continuing disclosure agreement, & appropriation resolution)
- 3-Apr. Fri. Council Briefing
- 6-Apr. Mon. RDC meeting
- 7-Apr. Wed. BPC special meeting
- 10-Apr. Fri. BPW packet goes out (resolution w/ 2<sup>nd</sup> lease amendment, & continuing disclosure agreement)
- 10-Apr. Fri. BMFC packet goes out (for Showers resolution w/ supplemental indenture, 2<sup>nd</sup> lease amendment, escrow agreement, purchase agreement, continuing disclosure agreement, & draft official statement)
- 14-Apr. Tues. Board of Public Works
- 15-Apr. Wed. BMFC special meeting  
First Reading for Ordinances at Council
- 17-Apr. Fri. Publish BPC appropriation resolution notice AND Council appropriation ordinance notice
- 22-Apr. Wed. Council Committee discussion of Ordinances and Resolutions
- 28-Apr. Tues. BPC regular meeting appropriation resolution approval
- 29-Apr. Wed. Special Council meeting – Final Vote on Ordinances and Resolutions



**ORDINANCE 09-07**

**AN ORDINANCE CONCERNING THE CURRENT REFUNDING BY THE CITY OF BLOOMINGTON, INDIANA, OF ITS GENERAL OBLIGATION BONDS OF 1998; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS FOR SUCH PURPOSE; PROVIDING FOR THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SAID REFUNDING BONDS; OTHER MATTERS CONNECTED THEREWITH; AND REPEALING ORDINANCES INCONSISTENT HEREWITH**

WHEREAS, the City of Bloomington, Indiana (the "City"), acting pursuant to Indiana Code 36-4-6-19, as amended (the "Act") (all references herein to the Indiana Code are designated hereafter as "IC" followed by the applicable code section or sections), has heretofore financed certain road improvements in the City (the "Project") with the proceeds of its General Obligation Bonds of 1998, dated September 1, 1998, originally issued in the aggregate principal amount of \$7,750,000 and now outstanding in the aggregate principal amount of \$6,020,000 (the "1998 Bonds"); and

WHEREAS, the Common Council of the City (the "Council") finds that the outstanding 1998 Bonds (the "Refunded Bonds") should be currently refunded pursuant to the provisions of IC 5-1-5, as amended, to enable the City to obtain a reduction in interest payments and effect a savings to the City; and

WHEREAS, the Council finds that it is necessary to issue general obligation refunding bonds of the City in an aggregate principal amount not to exceed Six Million Four Hundred Thousand Dollars (\$6,400,000) and to use the proceeds thereof, together with funds on hand, to currently refund the Refunded Bonds and to pay for all costs related to said refunding; and

WHEREAS, the bonds to be issued hereunder are to be issued subject to the provisions of the laws of the Act, IC 5-1-5, as amended, and the terms and restrictions of this ordinance; and

WHEREAS, the Council has been advised that it may be cost effective to purchase a municipal bond insurance policy for the bonds herein authorized; and

WHEREAS, the original principal amount of the bonds herein authorized, together with the outstanding principal amount of previously issued bonds which constitute a debt of the City, is no more than two percent (2%) of the total net assessed valuation of the City; and

WHEREAS, the Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said general obligation refunding bonds have been complied with in accordance with the provisions of the Act; now, therefore,

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

Section 1. Authorization of Refunding of Refunded Bonds. The City proceed with the current refunding of the Refunded Bonds thereby reducing its interest payments and effecting a savings. The Controller shall apply any amounts held for the payment of debt service on the Refunded Bonds to the refunding as provided in Section 10 of this ordinance. The bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Act and IC 5-1-5, as amended.

Section 2. Issuance of Bonds.

(a) The City shall issue and sell its general obligation refunding bonds in the aggregate principal amount not to exceed Six Million Four Hundred Thousand Dollars

(\$6,400,000) to be designated “General Obligation Refunding Bonds, Series 2009” (the “Bonds”), for the purpose of procuring funds to apply on (i) the current refunding of the Refunded Bonds and (ii) issuance costs, including, if necessary, a premium for a municipal bond insurance policy.

(b) The Bonds shall be issued and sold at a price not less than 98% of par value thereof. The Bonds shall be issued in fully registered form in denominations of \$5,000 or integral multiples thereof. The Bonds shall be numbered consecutively from 1 up and originally dated as of their date of delivery. The Bonds shall bear interest at a rate or rates not exceeding 6.0% per annum (the exact rate or rates to be determined by negotiation). Interest shall be payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or the first July 1 following the date of delivery of the Bonds, as determined by the Controller with the advice of the City’s financial advisor. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature annually on January 1 or be subject to mandatory sinking fund redemption on January 1 over a period ending no later than January 1, 2017 and in such amounts that will enable the City to achieve either (i) the maximum amount of savings in the refunding of the Refunded Bonds or (ii) as level annual debt service as practicable while achieving a savings in the refunding of the Refunded Bonds.

(c) All or a portion of the Bonds may be issued as one or more term bonds, upon election of the Underwriter (as hereinafter defined) of the Bonds. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on the dates as determined by the Underwriter, but in no event later than the last serial maturity date of the Bonds as determined in the preceding 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 principal payment dates which are hereafter determined in accordance with the preceding paragraph.

(d) Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

### Section 3. Registrar and Paying Agent.

(a) The Controller is hereby authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the “Registrar” or “Paying Agent”). The Controller is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Controller is further authorized to pay such fees as the institution 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 as fiscal agency charges.

(b) The principal of and premium, if any, on the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month immediately preceding each interest payment date (the “Record Date”), at the addresses as they appear 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 on or before such Record Date. 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).

(c) All payments on the Bonds shall be made in any coin or currency 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.

(d) Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, 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 costs of such transfer or exchange shall be borne by the City. The City and the 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.

(e) Interest on all Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

#### Section 4. Redemption of Bonds.

(a) The Bonds of this issue are not subject to optional redemption prior to maturity.

(b) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds 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 Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

(c) Each authorized denomination amount shall be considered a separate Bond for purposes of mandatory redemption. If less than an entire maturity of Bonds is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar.

(d) Notice of redemption shall be given not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is forty-five (45) days prior to such redemption date. 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 on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

#### Section 5. Book-Entry Provisions.

(a) The City may, upon the advice of its financial advisor, 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 ("DTC") and have transfers of the Bonds effected by book-entry on the books of the central depository system. In such case, the Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC and the terms and conditions of this provision shall apply.

(b) If the Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (the “Beneficial Owners”) will not receive physical delivery of the Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of the Bonds is to receive, hold, or deliver any Bond certificate.

(c) For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

(i) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving 30 days’ notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law), or

(ii) the City determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

(d) The City and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purposes, including notices and voting. The City and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the City and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this ordinance as necessary.

(e) The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

Section 6. Execution of Bonds; Security for the Bonds.

(a) The Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor, countersigned by the Controller and attested by the Clerk, who shall affix the seal of said City to each of said Bonds manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds. In case any officer whose signature or facsimile signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bonds shall also be authenticated by 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 has been so executed.

(b) The full faith and credit of the City is hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The City covenants that it will cause a property tax for the payment of the principal of and interest on the Bonds to be levied, collected, appropriated and applied for that purpose.

Section 7. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, with such additions, deletions and modifications as the Mayor, the Controller and Clerk may authorize, as conclusively evidenced by their signatures thereon, all blanks to be filled in properly prior to delivery thereof:

Form of Bond

[Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Registrar or its agent for registration or transfer, exchange or payment, and any bond issued is registered in the name of CEDE & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to CEDE & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & Co., has an interest herein.]

No. R09-\_\_

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

CITY OF BLOOMINGTON

GENERAL OBLIGATION REFUNDING BOND, SERIES 2009

Maturity Date      Interest Rate      Original Date      Authentication Date      CUSIP

Registered Owner:

Principal Sum:

The City of Bloomington, in Monroe County, State of Indiana (the "City"), acknowledges itself indebted, and for value received, hereby promises to pay, to the Registered Owner (named above) or registered assigns, the Principal Sum set forth above on the Maturity Date set forth above [(unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein)], and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month immediately preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_ 15, 20\_\_, in which case it shall bear interest from the Original Date, which interest is payable semiannually on January 1 and July 1 of each year, beginning on \_\_\_\_\_ 1, 20\_\_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of and premium, if any, on this Bond is payable at the principal office of \_\_\_\_\_ (the "Registrar" or "Paying Agent"), in the \_\_\_\_\_ of \_\_\_\_\_, Indiana. All payments of interest on this Bond shall be paid by check mailed one business day prior to the interest payment date on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof, as of the fifteenth day of the month immediately preceding such interest payment date, at 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 the 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. This Bond is negotiable pursuant to the laws of the State of Indiana.

This Bond is one of an authorized issue of Bonds of the City of Bloomington, Indiana, of like tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the “Bonds”), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of currently refunding certain Refunded Bonds (as defined in the Ordinance) and to pay incidental expenses[, including a premium for a municipal bond insurance policy], as authorized by an ordinance adopted by the Common Council of the City on the 29<sup>th</sup> day of April, 2009, entitled “An ordinance concerning the current refunding by the City of Bloomington, Indiana, of its General Obligation Bonds of 1998; authorizing the issuance of general obligation refunding bonds for such purpose; providing for the safeguarding of the interests of the owners of said refunding bonds; other matters connected therewith; and repealing ordinances inconsistent herewith” (the “Ordinance”), and in strict compliance with the provisions of Indiana Code 36-4-6-19 and Indiana Code 5-1-5, each as in effect on the issue date of the Bonds (collectively, the “Act”).

[The Bonds shall be initially issued in a book entry system by The Depository Trust Company (“DTC”). The provisions of this Bond and of the Ordinance are subject in all respect to the provisions of the Letter of Representations between the City and DTC, or any substitute agreement effecting such book entry system under DTC.]

Pursuant to the Ordinance and the Escrow Agreement as defined therein, the City has set aside securities (obligations of the United States of America purchased from proceeds of the Bonds and funds on hand of the City) and certain cash in a Trust Account to provide for the payment of the principal of and interest on the Refunded Bonds.

[The Bonds have been designated as qualified tax-exempt obligations to qualify for the \$30,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.]

The Bonds of this issue are not subject to optional redemption prior to maturity.

[The Bonds maturing on January 1, 20\_\_ 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 in the amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\*Final Maturity]

[Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar.

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the City, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption. 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 on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.]

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

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 hereof in person, 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 any 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.

This Bond is subject to defeasance prior to [redemption or] payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance if the City 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 any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law and 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 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 the Mayor, countersigned by the manual or facsimile signature of the Controller, the corporate seal of the City to be hereunto affixed, imprinted or impressed by any means, and attested manually or by facsimile by the Clerk.

CITY OF BLOOMINGTON, INDIANA

\_\_\_\_\_  
Mayor

[SEAL]

COUNTERSIGNED:

\_\_\_\_\_  
Controller

ATTEST:

\_\_\_\_\_  
Clerk

#### REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

\_\_\_\_\_,  
as Registrar

By: \_\_\_\_\_  
Authorized Representative

[STATEMENT OF INSURANCE]

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 8. Preparation and Sale of Bonds; Official Statement; Municipal Bond Insurance.

(a) The Clerk is hereby authorized and directed to have said Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute said Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver said Bonds to J.J.B. Hilliard, W.L. Lyons, LLC (the "Underwriter") in accordance with the Bond Purchase Agreement (the "Purchase Agreement") between the City and the Underwriter. The substantially final form of Purchase Agreement between the City and the Underwriter is attached hereto as Exhibit A and is hereby approved. The Mayor, the Controller and the Clerk are hereby authorized to execute the Purchase Agreement and deliver the Bonds to the Underwriter so long as their terms are consistent with this ordinance. The Purchase Agreement shall establish a final principal amount, purchase price, interest rates, maturity schedule and redemption features, if any.

(b) The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the current refunding of the Refunded Bonds and the expenses necessarily incurred in connection with the Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

(c) The preparation and distribution of an official statement (preliminary and final) prepared by London Witte Group, LLC, on behalf of the City for the Bonds is hereby authorized. The Mayor and Controller are hereby authorized and directed to execute the preliminary official statement on behalf of the City in a form consistent with this ordinance and are further authorized to designate such preliminary official statement as "nearly final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule").

(d) The acquisition of a municipal bond insurance policy for the Bonds is hereby authorized; provided, however, the City may only acquire such an insurance policy if the financial advisor to the City certifies to the City that the acquisition of the policy is economically advantageous. The acquisition of a municipal bond insurance policy is hereby deemed to be



economically advantageous in the event the difference between the present value cost of (a) the total debt service of 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.

(e) The Mayor and Controller are hereby authorized and directed to execute and deliver any agreements, certificates or documents as may be required by the provider of a municipal bond insurance policy as described in (d) above acquired with respect to Bonds issued hereunder to the extent necessary to comply with the terms of such insurance policy and the commitment with respect to the issuance thereof.

(f) The Controller is hereby authorized to appoint a financial institution to serve as escrow trustee (the "Escrow Trustee") for the Refunded Bonds in accordance with the terms of the Escrow Agreement between the City and the Escrow Trustee (the "Escrow Agreement"). The substantially final form of Escrow Agreement attached hereto as Exhibit B is hereby approved, and the Mayor, the Controller and the Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the City so long as its provisions are consistent with this ordinance.

(g) The execution, by either the Mayor, the Controller, the Underwriter, or the City's financial advisor, of a subscription for United States Treasury Obligations – State and Local Government Series for investment of proceeds of the Bonds allocable to the current refunding of the Refunded Bonds to be held under the Escrow Agreement in a manner consistent with this ordinance is hereby approved.

Section 9. Use of Proceeds. Proceeds of the Bonds shall be applied as follows and in the following order:

(a) *First*, concurrently with the delivery of the Bonds, the Controller shall acquire, with proceeds of the Bonds and cash on hand, direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to be used, together with certain cash from the proceeds of the Bonds and cash on hand as set forth in the Escrow Agreement, to currently refund and legally defease the Refunded Bonds all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Controller shall deposit Government Obligations and certain cash with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide money for payment of the principal of and interest on the Refunded Bonds from the date of delivery of the Bonds to the earliest date upon which the Refunded Bonds may be called for redemption. The Controller shall obtain a verification of an accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said current refunding and legal defeasance of the Refunded Bonds.

(b) *Second*, the remaining proceeds from the sale of the Bonds shall be applied by the Controller to cost of issuance of the Bonds not otherwise paid. Prior to the delivery of the Bonds, the Controller shall obtain the legal opinion of Bose McKinney & Evans LLP, bond counsel, of Indianapolis, Indiana, and shall furnish such opinion to the Underwriter. The cost of the opinion shall be considered as part of the costs incidental to the issuance of the Bonds and shall be paid out of the proceeds thereof. When all costs of issuance of the Bonds have been paid, the Controller shall then transfer any amount then remaining from the proceeds of the Bonds to the hereinafter described Bond Fund.

Section 10. Covenant to Levy Tax; Bond Fund. 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 come due and the proceeds of this tax are hereby pledged solely to the payment of the Bonds. Such tax proceeds shall be deposited into the bond fund established under the ordinance authorizing the Refunded Bonds (the "Bond Fund"), which Bond Fund is hereby continued, and used to pay the principal of and interest on the Bonds, when due, together with any fiscal agency charges. Any moneys heretofore accumulated in the Bond Fund to pay principal and interest on the Refunded Bonds

shall be credited to and become a part of the Trust Account under the Escrow Agreement and shall be applied on the first payments made from the Trust Account.

Section 11. Defeasance of Bonds. If, when any of the Bonds issued hereunder 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 any 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 or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, 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 the taxes to be levied upon all taxable property in the City and the bondholders shall be entitled to look only to the trust for payment of the Bonds.

Section 12. Investments. The Bond Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. All moneys deposited in the Bond Fund shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5- 13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the Bond Fund and shall be used only as provided in this ordinance.

Section 13. Tax Covenants. 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 (the "Code") and as an inducement to purchasers of the Bonds, the City represents, covenants and agrees that:

(a) The Project 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 in 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, as the case may be. If the City enters into a management contract for the Project, the terms of the contract will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superseded for 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 paragraphs (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 government 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 not be 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, if necessary, it will rebate any arbitrage profits to the United States of America in accordance with the Code.

(j) Prior to delivery of the Bonds, the Mayor, with the advice of bond counsel, is authorized to deliver a certificate designating the Bonds as “bank qualified” if the Bonds will meet the requirements of Section 265(b) of the Code.

Section 14. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Council of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Council for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this ordinance; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the taxes ranking prior to the pledge thereof created by this ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City, no owner of any Bond issued pursuant to

this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all owners of Bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this ordinance then outstanding.

Excluding the changes set out in this Section 14(a)-(f), the City may amend this ordinance without bondholder consent if the City determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the Bonds.

Section 15. Tax Exemption. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 16. Continuing Disclosure. In order for the Underwriter of the Bonds to comply with the SEC Rule, the Mayor and the Controller are hereby authorized to execute and deliver an agreement by the City to comply with the requirements of a continuing disclosure undertaking by the City pursuant to subsection 5(b) or (d)(2) of the SEC Rule, and any amendments thereto from time to time (the "Continuing Disclosure Agreement"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The substantially final form of Continuing Disclosure Agreement attached hereto as Exhibit C and incorporated herein by reference is hereby approved and the Mayor and Controller are authorized to execute the same and to approve such changes in form or substance thereto which are consistent with the terms of this ordinance, such changes to be conclusively evidenced by the execution thereof.

Section 17. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this ordinance shall not be construed as adversely affecting the rights of the owners of the Refunded Bonds.

Section 18. 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 19. Effective Date. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 6<sup>th</sup> day of May, 2009.

By: \_\_\_\_\_  
ANDY RUFF, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of May, 2009.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of May, 2009.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This Ordinance approves the issuance and sale of general obligation refunding bonds by the City to effect a refunding of its 1998 General Obligation bonds. The purpose is to provide a savings to the City through a reduction in interest payments on the Bonds.

**EXHIBIT A**

*Form of Bond Purchase Agreement*

CITY OF BLOOMINGTON, INDIANA

\$ \_\_\_\_\_  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009

**BOND PURCHASE AGREEMENT**

May \_\_\_\_, 2009

The Members of the Common Council  
City Hall  
401 North Morton Street, P.O. Box 100  
Bloomington, IN 47402

Dear Members of the Common Council:

The undersigned, J.J.B. Hilliard, W.L. Lyons, LLC (the "Underwriter"), hereby offers to enter into the following agreement with the City of Bloomington, Indiana (the "City"), which, upon acceptance of this offer, will be binding upon the City and the Underwriter. This offer is made subject to acceptance on or before 5:00 P.M. Eastern Standard Time, May \_\_\_\_, 2009.

1. Upon the terms and conditions and upon the basis of the respective representations and covenants hereafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter all, but not less than all, of the \$ \_\_\_\_\_ in aggregate issued amount of the City of Bloomington, Indiana General Obligation Refunding Bonds, Series 2009 (the "Bonds"). The Bonds shall be dated as of the date of delivery, and shall mature in such amounts, and bear interest at such rates to their stated maturities as set forth in **Schedule A** attached hereto and made a part hereof.

2. The initial purchase price of the Bonds shall be \$ \_\_\_\_\_, which price includes an Underwriter's discount of \$ \_\_\_\_\_, and net original issue premium of \$ \_\_\_\_\_. In addition to such initial purchase prices, if, from the date of execution of this Bond Purchase Agreement, the Bonds are sold by the Underwriter at a price in excess of 100% of the face amount thereof, the Underwriter shall pay the amount of any such excess to the City based upon the original pricing of the Bonds. The initial purchase price, together with the amount of any such excess, shall be referred to herein as the "Purchase Price". For information purposes only, we calculate the bond yield for the Bonds to be \_\_\_\_\_%.

3. The Bonds shall be authorized and secured by, and issued under, a Bond Ordinance, adopted by the Common Council of the City on May 6, 2009 (the "Bond Ordinance"), drafted by Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, and approved by the Underwriter.

4. The City previously authorized a Preliminary Official Statement, prepared for and on behalf of the City, and deemed to be a “nearly final official statement” and other documents to be used in connection with the public offering and sale of the Bonds. The City hereby authorizes an Official Statement, prepared for and on behalf of the City, and other documents to be used in connection with the public offering and sale of the Bonds, and agrees to provide the Underwriter with sufficient copies of the Final Official Statement in accordance with SEC Rule 15c2-12. In addition, the City will enter into a Continuing Disclosure Undertaking Agreement dated as of the date hereof, for the purpose of assisting the Underwriter in complying with subsection (d)(2) of SEC Rule 15c2-12, and as an inducement to the Underwriter to assume its obligations hereunder.

5. The Bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”) and in such authorized denominations as shall be requested by the Underwriter, shall be delivered to the Underwriter at the offices of Bond Counsel, Bose McKinney & Evans LLP, Indianapolis, Indiana, or at such other location as the Underwriter shall direct, on May \_\_, 2009, at which time the Underwriter agrees to pay the purchase price in full. Such delivery and payment is referred to herein as the “Closing”. If the Underwriter so requests, the City shall make the Bonds available to the Underwriter and/or DTC at least one business day (or such additional days as DTC may require) before the Closing for purposes of inspection. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error in the printing of such numbers shall constitute cause for failure or refusal of the Underwriter to accept delivery of and to make payment for any of the Bonds.

6. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the date of Closing, (i)(A) legislation shall be introduced in Congress, or enacted or actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House, or (B) a decision by a Federal court of the United States or the United States Tax Court shall be rendered, or a ruling or regulation by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed with respect to Federal taxation upon revenues or other income to be derived by the City or upon interest on obligations of the general character of the Bonds, or (C) other actions or events shall have occurred or transpired, any of which has the purpose or effect, directly or indirectly, of materially adversely affecting the Federal or Indiana income tax or other Indiana tax consequences of any of the transactions contemplated in connection herewith, and in the reasonable judgment of the Underwriter materially adversely affects the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the contemplated offering price, or (ii) there shall exist in the reasonable judgment of the Underwriter any fact, or any event shall have occurred which either (A) makes untrue or incorrect any statement of a material fact or material information contained in the Official Statement, or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or



any national or international calamity or crises, including a financial crisis, the effect of which on the financial markets of the United States being such as would in the reasonable judgment of the Underwriter materially adversely affect the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the contemplated offering price, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange or a general banking moratorium shall have been declared by Federal, Indiana or New York authorities, the effect of which would, in the reasonable judgment of the Underwriter, materially adversely affect the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the contemplated offering prices, or (v) there shall have occurred, since the date hereof, any material adverse change in the affairs of the City from that reflected in the financial statements of the City contained in the Official Statement.

7. The City hereby represents and warrants to the Underwriter that:

(a) It is authorized by law to enter into this Bond Purchase Agreement and the documents herein referred to and to perform all of its obligations to consummate the transactions contemplated hereby and thereby;

(b) The information contained in the Official Statement as of the Closing will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact and does not and will not omit a material fact required or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(c) The City has not been in default as to principal and interest payments on any securities at any time after December 31, 1975.

The City agrees that it shall take all necessary action to authorize the execution and delivery of, and shall execute and deliver the Bonds, the Bond Ordinance and any and all other agreements, certificates, and documents as may be required to consummate the transactions contemplated hereby and by the Official Statement.

Any certificate signed by an authorized officer of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to statements made therein.

8. The Underwriter hereby represents and warrants to the City as follows:

(a) The Underwriter has been duly authorized to execute this Bond Purchase Agreement, and to carry out the terms of this Bond Purchase Agreement.

(b) In the event that, from and after the date of execution of this Bond Purchase Agreement, the Underwriter sells any Bond for a price in excess of the face amount

thereof, the full amount of any such excess shall be paid to the City as part of the Purchase Price, as set forth in paragraph 2 hereof.

9. The obligations of the Underwriter hereunder shall be subject to:

(a) The performance by the City of its obligations to be performed hereunder at and prior to the Closing;

(b) The accuracy of the warranties and representations of the City, and

(c) Delivery to the Underwriter of executed counterparts of the following documents in such number as shall be reasonably required and in form and substance satisfactory to the Underwriter:

(1) The Bond Ordinance.

(2) The unqualified approving opinion of Bond Counsel in customary market form, dated the date of Closing, relating to the due authorizations, execution, and delivery of the Bond Ordinance, the Bonds (and any documents relating to the issuance and security therefor), the tax-exempt status of interest on the Bonds for Federal income tax purposes, and such other matters as are customarily provided in such opinions.

(3) Evidence that Standard and Poor's Ratings Services has assigned a rating of "\_\_\_\_\_" to the Bonds.

(4) The Continuing Disclosure Undertaking Agreement executed by the City, dated as of the date hereof.

(5) Such additional legal opinions, bonds, proceedings, and such other documents, including references to the provisions of the Internal Revenue Code of 1986, as amended, as Bond Counsel or the Underwriter may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy of their representations herein, the accuracy and completeness of the Official Statement as of the Closing and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

10. Incident to the issuance of the Bonds, and whether the Bonds are delivered to the Underwriter or not, the Underwriter agrees to pay the expenses of forming and managing a national selling group, the fees of any counsel retained by the Underwriter, any advertising in connection with selling the Bonds, the costs of registering the Bonds or confirming exceptions from registration in any jurisdiction and the costs of preparing Blue Sky and Legal Investment

Memoranda, MSRB fees and other out-of-pocket expenses. The City shall pay, or cause to be paid, from the proceeds of the sale of the Bonds the fees and disbursements of Bond Counsel, counsel to the City, financial advisor/verification agent to the City, the cost of preparing, printing and distribution of the Preliminary Official Statement and the Final Official Statement, the fees of the rating agencies, the cost of printing and delivery of definitive Bonds, the cost of CUSIP numbers, DTC/Midwest charges and the costs and expenses of the issuance and delivery of the Bonds.

11. All representations, warranties, and agreements of the City shall remain in full force and effect regardless of any investigations made by or on behalf of the Underwriter and shall survive the Closing.

12. No recourse under or upon any obligatory covenant or agreement contained in this Bond Purchase Agreement or to be implied therefrom shall be had against any officer, trustee, employees agent or representative of the City; and no personal liability whatsoever shall attach to or be incurred by the present or any future officers, trustees, employees, agents or representatives of the City by reason of any of the obligations, covenants or agreements contained or this Bond Purchase Agreement, or to be implied therefrom.

13. Any notice or other communication to be given to the City shall be given by delivering the same in writing at the address set forth above and any notice or other communication to be given to the Underwriter shall be given in writing to J.J.B. Hilliard, W.L. Lyons, LLC, 14390 Clay Terrace Boulevard, Suite 241, Carmel, IN 46032.

This Bond Purchase Agreement is made solely for the benefit of the parties hereto, and no other person, including any holders of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

The approval and acceptance of this offer by the City, as evidenced by the execution of the acceptance clause below, shall cause this document to constitute a contract for the sale by the City and the purchase by the Underwriter of the herein-described Bonds, subject to and in accordance with the terms and conditions herein outlined and established.

Respectfully submitted,

**J.J.B. HILLIARD, W.L. LYONS, LLC**, as  
Underwriter

By: \_\_\_\_\_

*(Signature Page to Bond Purchase Agreement)*

Accepted by the City of Bloomington, Indiana, this \_\_\_\_ day of May, 2009.

**CITY OF BLOOMINGTON, INDIANA**

By: \_\_\_\_\_  
Mark Kruzan, Mayor

By: \_\_\_\_\_  
Mike Trexler, Controller

**ATTEST:**

By: \_\_\_\_\_  
Regina Moore, Clerk

**SCHEDULE A**

Designation: City of Bloomington, Indiana  
General Obligation Refunding Bonds, Series 2009

Principal Amount: \$\_\_\_\_\_

Dated: May \_\_\_\_, 2009

Maturities and Interest Rates: Maturing annually on January 1, with interest payable semiannually on January 1 and July 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_, in the years and amounts and with interest rates, as shown below

Optional Redemption: The Bonds maturing on or after January 1, 20\_\_, are subject to redemption, in whole or in part, on any date not earlier than \_\_\_\_\_, 20\_\_, at 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

**Series 2009 Bonds**

<b><u>Maturity</u></b>	<b><u>Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Price</u></b>
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**EXHIBIT B**

*Form of Escrow Agreement*

**ESCROW AGREEMENT**

**BETWEEN**

**THE**

**CITY OF BLOOMINGTON, INDIANA**

**AND**

\_\_\_\_\_  
**As Escrow Trustee**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009**

**Dated May \_\_\_, 2009**

## ESCROW AGREEMENT

This agreement (the "Escrow Agreement") made and entered into as of May \_\_, 2009, by and between the City of Bloomington, Indiana (the "Issuer"), a municipal corporation duly organized and existing under the laws of the State of Indiana and \_\_\_\_\_ (the "Escrow Trustee"), a national banking association organized under the laws of the United States of America, having its principal corporate trust office in Indianapolis, Indiana, as Escrow Trustee under this Escrow Agreement with the Issuer.

### WITNESSETH

WHEREAS, Indiana Code, Title 5, Article 1, Chapter 5 (the "Act"), has been enacted by the legislature of the State of Indiana; and

WHEREAS, the Act declares that the refunding of bonds to effect a savings for the Issuer or to relieve the Issuer of restrictive covenants which impede additional financings and the issuance of refunding bonds to accomplish the refunding constitute a public purpose; and

WHEREAS, the Act provides that the proceeds of the refunding bonds may be secured by a trust agreement between the Issuer and a corporate trustee; and

WHEREAS, the execution and delivery of this Escrow Agreement has been in all respects duly and validly authorized by Ordinance No. \_\_\_\_\_ duly passed and approved by the Common Council and signed by the Mayor of the Issuer on May 6, 2009, (the "Ordinance"); and

WHEREAS, the Issuer has heretofore issued, pursuant to Ordinance No. 98-16 adopted by the Issuer on May 20, 1998 (the "1998 Ordinance"), its General Obligation Bonds of 1998, dated September 1, 1998, in the total amount of \$7,750,000, of which \$6,020,000 in principal amount is now outstanding (the "Refunded Bonds"); and

WHEREAS, the Issuer has concurrently with the execution and delivery of this Escrow Agreement, executed, issued and delivered pursuant to the Ordinance, its General Obligation Refunding Bonds, Series 2009 (the "2009 Bonds") in the principal amount of \$\_\_\_\_\_, and the Issuer has deposited with the Escrow Trustee (a) certain hereinafter described securities or evidences thereof in the amount of \$\_\_\_\_\_ (the "Government Obligations") purchased from proceeds of the Bonds in the amount of \$\_\_\_\_\_ and funds on hand in the amount of \$\_\_\_\_\_ and (b) cash in the amount of \$\_\_\_ funded from proceeds of the 2009 Bonds (the "Cash Requirement"), in a total amount sufficient to pay the Refunded Bonds from the date of delivery of the 2009 Bonds to \_\_\_\_\_, 2009, the earliest redemption date of the Refunded Bonds, with accrued interest to such date;



NOW THEREFORE, THIS AGREEMENT WITNESSETH: That in order to secure the payment of the principal of and interest on the Refunded Bonds according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants and conditions herein and in the Refunded Bonds and 2009 Bonds, and for and in consideration of the mutual covenants herein contained, and of the acceptance by the Escrow Trustee of the trust hereby created, the Issuer has executed and delivered this Escrow Agreement.

TO HAVE AND TO HOLD the same unto the Escrow Trustee, and its successor or successors and its or their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, to secure the payment of the Refunded Bonds and the interest payable thereon, and to secure also the observance and performance of all the terms, provisions, covenants and conditions of this Escrow Agreement, and for the equal and ratable benefit and security of all and singular the owners of all Refunded Bonds without preference, priority or distinction as to lien or otherwise of any one Refunded Bond or as between principal and interest; and it is hereby mutually covenanted and agreed that the terms and conditions upon which the Refunded Bonds are to be paid, and a portion of the proceeds of the 2009 Bonds invested, and the trusts and conditions upon which the pledged Government Obligations and Cash Requirement are to be held and disbursed, are as follows:

1. The Escrow Trustee acknowledges receipt from the Issuer of the Government Obligations, as set forth in Exhibit A attached hereto, together with the Cash Requirement, to be applied on the principal of and interest on the Refunded Bonds in accordance with the schedule set forth in Exhibit B attached hereto. The Government Obligations have been deposited with the Escrow Trustee and will bear interest at such rates and will mature at such times and in such amounts so that, when paid according to their respective terms, together with the Cash Requirement, sufficient moneys will be available for the payment of principal of and interest on the Refunded Bonds until \_\_\_\_\_, 2009, the earliest date upon which the Refunded Bonds may be called for redemption, and the cost of redeeming the Refunded Bonds at a redemption price of 100% of principal amount.

2. (a) A Trust Account is created hereby for the Refunded Bonds (the "Trust Account"). For purposes of securing payment for the Refunded Bonds, the Government Obligations and the Cash Requirement set forth on Exhibit A will be held in trust by the Escrow Trustee in the Trust Account and such Government Obligations on deposit with the Escrow Trustee, including interest to be earned thereon, together with the Cash Requirement, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds. Pursuant to this Section, the Issuer irrevocably instructs the Escrow Trustee to duly call the Refunded Bonds for redemption on \_\_\_\_\_, 2009, and the Escrow Trustee hereby agrees to follow this instruction.

(b) The Escrow Trustee and the Issuer agree to redeem on \_\_\_\_\_, 2009, all outstanding Refunded Bonds due on January 1, 2010 and thereafter. The Escrow Trustee

shall complete the notice attached as Exhibit C and mail the notice to all registered owners of the Refunded Bonds at least thirty (30) days prior to \_\_\_\_\_, 2009, substantially in the form attached to this Escrow Agreement as Exhibit C. The Escrow Trustee serves as the paying agent for the Refunded Bonds and shall effectuate timely payments under this Escrow Agreement.

(c) Any balance remaining in the Trust Account after payment of all the Refunded Bonds shall be deposited with the Issuer and used by the Issuer to pay debt service on the 2009 Bonds.

(d) The mathematical calculations of the adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement will be computed at the time of delivery of the 2009 Bonds by London Witte Group LLC (the "Verification Report").

3. The Issuer covenants that the proceeds from the sale of 2009 Bonds, any moneys attributable to the proceeds of the 2009 Bonds or the Refunded Bonds, amounts received from the investment of the proceeds of the 2009 Bonds, any other amounts treated as proceeds of the 2009 Bonds under the applicable provisions of the Internal Revenue Code of 1986 as existing on the date of the issuance of the 2009 Bonds (the "Code"), to the extent applicable to the 2009 Bonds or held in funds or accounts under the 1998 Ordinance or the Ordinance, shall not be invested or otherwise used in a manner which would cause the 2009 Bonds to be "arbitrage bonds" within the meaning of the Code and the regulations and rulings promulgated thereunder.

4. The Escrow Trustee hereby accepts the trusts imposed upon it by this Escrow Agreement and agrees to perform these trusts as a corporate trustee ordinarily would perform such trusts under a corporate indenture. The Escrow Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all compensation to all such attorneys, certified public accountants, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Escrow Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer). The Escrow Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

The Escrow Trustee shall be entitled to payment and/or reimbursement in accordance with the schedule attached hereto as Exhibit D in connection with services under this Escrow Agreement including costs incurred under the preceding paragraph. Such fees shall not constitute a lien against the Trust Account. If, after the Refunded Bonds are paid, there are insufficient funds to pay such fees, the Issuer is responsible for the payment of such Escrow Trustee fees and paying agent fees.

5. The Escrow Trustee shall have the power to sell, transfer, request the redemption or otherwise dispose of some or all of the Government Obligations in the Trust Account and to

substitute other Government Obligations of equal or greater security identified in the Verification Report therefor provided that the Escrow Trustee shall receive (i) the unqualified opinion of nationally recognized municipal bond attorneys prior to any such actions to the effect that such disposition and substitution would not cause any of the Refunded Bonds or the 2009 Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code, or any other regulations and rulings to the extent applicable to the Refunded Bonds of the 2009 Bonds; and (ii) the unqualified opinion of a certified public accountant or a firm of certified public accountants to the effect that such disposition and substitution shall not reduce the sufficiency and adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement.

6. This Escrow Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Trustee and the Issuer, provided, however, that the Issuer and the Escrow Trustee may, without the consent of, or notice to, such holders, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement, in their sole judgment and discretion, as shall not materially adversely affect the rights of such holders, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Trustee for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers, security or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Trustee; and (iii) to include under this Escrow Agreement additional funds, securities or properties.

7. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Issuer or the Escrow Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

8. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

9. This Escrow Agreement shall be construed and enforced under the laws of the State of Indiana, without regard to conflict of law principles.

10. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Escrow Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Trustee are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if

done on the nominal date provided in this Escrow Agreement, and no interest shall accrue for the period after such nominal date.

11. This Escrow Agreement shall not be assigned by the Escrow Trustee or any successor thereto without the prior written consent of the Issuer.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed for and on their behalf the day and year first hereinabove written.

**CITY OF BLOOMINGTON, INDIANA**

\_\_\_\_\_  
Mark Kruzan, Mayor

\_\_\_\_\_  
Mike Trexler, Controller

Attest:

\_\_\_\_\_  
Regina Moore, Clerk

[SEAL]

\_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

**EXHIBIT A**

Attached to and made a part of the  
Escrow Agreement executed by the  
City of Bloomington, Indiana and  
\_\_\_\_\_ as Escrow Trustee  
Dated May \_\_\_\_, 2009

SCHEDULE OF GOVERNMENT OBLIGATIONS

<u>Type</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Coupon Rate</u>
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Cash in the amount of \$\_\_\_\_\_

**EXHIBIT B**

PAYMENT OF PRINCIPAL AND INTEREST  
ON REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
	\$6,020,000	\$	\$0.00	\$



**EXHIBIT C**

**NOTICE OF REDEMPTION TO THE HOLDERS OF THE  
CITY OF BLOOMINGTON  
GENERAL OBLIGATION BONDS OF 1998**

**NOTICE IS HEREBY GIVEN** to the registered owners of the Six Million Twenty Thousand Dollars (\$6,020,000) in aggregate principal amount of General Obligation Bonds of 1998, of the City of Bloomington, Indiana, dated September 1, 1998, and maturing annually on January 1, 2010 through January 1, 2017, inclusive (the "Bonds"), that the Bonds will be redeemed on \_\_\_\_\_, 2009, at the price of one hundred percent (100%) of the par amount thereof (the "Redemption Price"), plus accrued and unpaid interest to \_\_\_\_\_, 2009.

Payment of the Redemption Price of and accrued interest on the Bonds will be made upon presentation and surrender of the Bonds at the corporate trust operations office of \_\_\_\_\_.

The Bonds will cease to bear interest on \_\_\_\_\_, 2009, whether or not presented for payment on that date.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_

Mail to registered owners at least thirty (30) days prior to \_\_\_\_\_, 2009.

**EXHIBIT D**

**ESCROW TRUSTEE FEES**

**EXHIBIT C**

*Form of Continuing Disclosure Agreement*

## CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Agreement”) is executed and delivered by the CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA (the “Obligor” or the “Issuer”), in connection with the issuance of its General Obligation Refunding Bonds, Series 2009, in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to Indiana Code 36-4-6-19, Indiana Code 5-1-5, each as amended, and Ordinance No. \_\_\_\_\_, adopted May 6, 2009 by the Common Council of the Issuer (the “Ordinance”) (collectively, the “Bond Proceedings”). The Bonds will be secured by the full faith and credit of the Issuer pursuant to the Ordinance. The Obligor covenants and agrees as follows:

### Section 1. Purpose of the Disclosure Agreement.

a. This Disclosure Agreement is being executed and delivered by the Obligor for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (d)(2) of the Rule.

b. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Agreement shall be deemed to be and shall constitute a contract between the Obligor and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Obligor shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

c. The Obligor hereby determines that it will be an obligated person with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt pursuant to subsection (d)(1) of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Bond Proceedings, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings.

“Annual Report” shall mean any annual report provided by the Obligor pursuant to, and as described in, Section 3 and 4 of this Disclosure Agreement and including (i) the audit of the Obligor prepared biennially by the Indiana State Board of Accounts and (ii) the Annual City and Town Financial Report prepared by the Obligor.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Obligor, or any successor Dissemination Agent appointed in writing by the Obligor and which has filed with the Obligor a written acceptance of such appointment.

“EMMA” shall mean the Electronic Municipal Market Access system at [www.emma.msrb.org](http://www.emma.msrb.org).

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act. As of the date of this Disclosure Agreement, the address and telephone numbers of the MSRB are as follows:

CDINet  
1900 Duke Street, Suite 600  
Alexandria, VA 22314  
Telephone: 703-797-6600  
Fax: 703-683-1930

“National Repository” shall mean any nationally recognized municipal securities information repository for purposes of the Rule. Until June 30, 2009, the National Repositories approved by the SEC are set forth in Exhibit A. Commencing July 1, 2009, the sole National Repository approved by the SEC shall be the MSRB through the EMMA.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the Official Statement for the Bonds dated \_\_\_\_\_, 2009.

“Participating Underwriters” shall mean J.J.B. Hilliard, W.L. Lyons, LLC.

“Repository” shall mean the National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“State” shall mean the State of Indiana.

“State Repository” shall mean any public or private repository or entity designated by the State as a state information depository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Disclosure Agreement, there is no State Repository.

Section 3. Provision of Annual Reports.

a. The Obligor shall provide, or shall cause the Dissemination Agent to provide, to the National Repository and to the State Repository, commencing with the Obligor’s Annual Report for its fiscal year ended December 31, 2009, the most recent Annual Report based on financial information or operating data relating to the Obligor’s most recently completed fiscal year for which such information and data are then available. Such Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen business days after it becomes available, the Obligor shall provide the Annual Report to the Dissemination Agent (if other than the Obligor). In each case, the Annual Report shall clearly indicate the date of its preparation, may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Agreement. Commencing on the date any such Annual Report becomes available and ending on the date the next Annual Report becomes available or such Annual Report is filed with a State Repository that is newly recognized as such by the SEC, such Annual Report shall include all notices of an occurrence of a Listed Event provided during such period pursuant to Section 5 of this Disclosure Agreement. During such period, the Annual Reports and notices of Listed Events can be obtained from:

City of Bloomington, Indiana  
City Hall  
401 North Morton Street, Suite 240  
Bloomington, IN 47402  
Attention: Controller  
Phone Number: (812)349-3416

Section 3(d)(2) of this Disclosure Agreement shall not be applicable when an Annual Report becomes available and cannot be filed with a State Repository because one does not then exist. If a person requests the Obligor’s Annual Report, such Annual Report shall be provided within sixty (60) days of such request.

b. Not later than one (1) month after the date on which a State Repository is newly recognized as such by the SEC, the Obligor shall provide, or shall cause the Dissemination Agent to provide, the then most recent Annual Report and each subsequent Annual Report to the State Repository, so long as a State Repository is recognized as such by the SEC. Such Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) business days after it becomes available, the Obligor shall provide such Annual Report to the Dissemination Agent (if other than the Obligor). In each case, such Annual Report may be submitted as a single document or as separate documents comprising a package,

and may include by specific reference other information as provided in Section 4 of this Disclosure Agreement. Not later than one (1) month after the date on which a State Repository is no longer recognized as such by the SEC, the Obligor shall provide, or shall cause the Dissemination Agent to provide, the then most recent Annual Report and each subsequent Annual Report to any person who requests it, in accordance with Section 3(a) of this Disclosure Agreement, so long as a State Repository is no longer recognized as such by the SEC.

c. Whenever any Annual Report or portion thereof is filed as described above, it shall be attached to a cover sheet in substantially the form attached as Exhibit B or as otherwise required for submissions filed through the EMMA.

d. The Dissemination Agent shall:

(1) determine each year, prior to the date for providing the Annual Report, the name and address of the State Repository, if any; and (if the Dissemination Agent is other than the Obligor)

(2) file a report with the Obligor certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing the State Repository, if any, to which it was provided.

e. In connection with providing the Annual Report, the Dissemination Agent (if other than the Obligor) is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

Section 4. Content of Annual Reports. The Obligor's Annual Report shall contain or include by reference the following:

a. The audited financial statements of the Obligor for its fiscal year or two (2) fiscal years, as may be required by State law, immediately preceding the date such Annual Report becomes available. Such financial statements, however, shall not be included if State law does not require the Obligor to prepare such statements for its immediately preceding fiscal year by the date of availability of the Annual Report for such fiscal year. In that case, unaudited financial statements in the form required to be filed with the State on an annual basis shall be included in the Annual Report.

b. An update of the financial information and operating data relating to the Obligor of the same nature as that contained in the Official Statement under \_\_\_\_\_.

Any or all of the items listed above may be included by specific reference to other documents that previously have been provided to each of the Repositories or filed with the SEC. Notwithstanding the foregoing, if the document included by reference is a final official statement, it need only be available from the MSRB. The Obligor shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. The Obligor covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner and in accordance with the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities; and
- (11) Rating changes.

b. Whenever the Obligor obtains knowledge of the occurrence of a Listed Event, the Obligor shall as soon as possible determine if such Event would be material under applicable federal securities laws. The Obligor covenants that its determination of materiality will be made in conformance with federal securities laws.

c. If the Obligor determines that the occurrence of a Listed Event would be material under applicable federal securities laws, the Obligor shall promptly cause a notice of such occurrence to be filed with the National Repository or the MSRB, and with the State Repository, together with a cover sheet in substantially the form attached as Exhibit B. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (a)(9), the Obligor shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.



d. In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

e. The Obligor acknowledges that the “rating changes” referred to above in subsection (a)(11) may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Obligor is liable.

f. The Obligor acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Obligor or the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

g. As of the date of this Disclosure Agreement, the Listed Events described in subsections (a)(3), (4) and (5) are not applicable to the Bonds.

#### Section 6. Termination of Reporting Obligation.

a. The Obligor’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, the prior redemption or the payment in full of all of the Bonds. If the Obligor’s obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

b. This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Obligor (i) receives an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the National Repository or the MSRB, and to the State Repository.

Section 7. Dissemination Agent. The Obligor, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Agreement, the Dissemination Agent (if other than Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Disclosure Agreement.

Section 8. Amendment; Waiver.

a. Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to the provisions of Section 3(a) or (b), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Obligor, or type of business conducted by the Obligor or in connection with the Project;

(2) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

b. In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Obligor shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligor chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Obligor shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the Obligor or the Dissemination Agent (if other than the Obligor) to comply with any provision of this Disclosure

Agreement, any Bondholders or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Obligor or the Dissemination Agent (if other than the Obligor) under this Disclosure Agreement, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Agreement shall not constitute a default with respect to the Bonds or under the Ordinance. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this Disclosure Agreement is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Obligor shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Agreement.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Agreement, and, in the sole determination of the Obligor or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Obligor or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The Obligor acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Obligor, and that under some circumstances, compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Governing Law. This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 16. Severability. If any portion of this Disclosure Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability or enforceability of the remaining portions of this Disclosure Agreement shall not be affected, and this Disclosure Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

**CITY OF BLOOMINGTON, INDIANA**

By: \_\_\_\_\_  
Mark Kruzan, Mayor

ATTEST:

\_\_\_\_\_  
Mike Trexler, Controller

Dated: \_\_\_\_\_, 2009

## **EXHIBIT A**

Until June 30, 2009, the nationally recognized municipal securities information repositories approved by the Securities and Exchange Commission as of the date of this Continuing Disclosure Agreement are set forth below:

### **Bloomberg Municipal Repository**

100 Business Park Drive  
Skillman, NJ 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
<http://www.bloomberg.com/markets/rates/municontacts.html>  
Email: Munis@Bloomberg.com

### **DPC Data Inc.**

One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
<http://www.MuniFILINGS.com>  
Email: nrmsir@dpcdata.com

### **Interactive Data Pricing and Reference Data, Inc.**

Attn: NRMSIR  
100 William Street, 15th Floor  
New York, NY 10038  
Phone: 212-771-6999; 800-689-8466  
Fax: 212-771-7390  
<http://www.interactivedata-prd.com>  
Email: NRMSIR@interactivedata.com

### **Standard & Poor's Securities Evaluations, Inc.**

55 Water Street  
45th Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
<http://www.disclosuredirectory.standardandpoors.com/>  
Email: nrmsir\_repository@sandp.com

**\*\*Commencing July 1, 2009 all disclosures that would have been filed with the repositories above shall be filed solely with the MSRB electronically on its Electronic Municipal Market Access (EMMA) system at [www.emma.msrb.org](http://www.emma.msrb.org)\*\***

**EXHIBIT B**

**MUNICIPAL SECONDARY MARKET  
DISCLOSURE INFORMATION COVER SHEET**

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

\*\*\*

Issuer's and/or Other Obligated Person's Name: \_\_\_\_\_

**CUSIP Numbers** (attach additional sheet if necessary):

- Nine-digit number(s) to which the information relates:
  
- Information relates to **all securities** issued by the issuer having the following six-digit numbers(s):

\*\*\*

Number of pages of attached information: \_\_\_\_\_

Description of Material Event Notice / Financial Information (Check One):

- 1.  Principal and interest payment delinquencies
- 2.  Non-payment related defaults
- 3.  Unscheduled draws on debt service reserves reflecting financial difficulties
- 4.  Unscheduled draws on credit enhancements reflecting financial difficulties
- 5.  Substitution of credit or liquidity providers, or their failure to perform
- 6.  Adverse tax opinions or events affecting the tax-exempt status of the security
- 7.  Modifications to rights of security holders
- 8.  Bond calls
- 9.  Defeasances
- 10.  Release, substitution, or sale of property securing repayment of the securities
- 11.  Rating changes
- 12.  Failure to provide annual financial information as required
- 13.  Other material event notice (specify)

\*14. \_\_\_\_\_ Financial information: Please check all appropriate boxes:

- CAFR: (a)  includes  does not include Annual Financial Information
- (b) Audited? Yes  No
- Annual Financial Information: Audited? Yes  No
- Operating Data

Fiscal Period Covered: \_\_\_\_\_

\*Financial information **should not** be filed with the MSRB.

\*\*\*

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Title \_\_\_\_\_

Employer: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Voice Telephone Number: \_\_\_\_\_

**APPROPRIATION ORDINANCE 09-03**

**TO EFFECT REFUNDING OF THE CITY OF BLOOMINGTON  
1998 GENERAL OBLIGATION BONDS**

WHEREAS, pursuant to an ordinance adopted by the Common Council of the City of Bloomington, Indiana (the "Town") on May 6, 2009 (the "Bond Ordinance"), the Common Council authorized the issuance of the City of Bloomington, Indiana General Obligation Refunding Bonds, Series 2009 to be issued in an amount not to exceed \$6,400,000 (the "Bonds"), for the purpose of refunding the City of Bloomington, Indiana General Obligation Bonds of 1998 and paying the costs of issuance of the Bonds (the "Refinancing"); and

WHEREAS, the Common Council has found that there are insufficient funds available or provided for in the existing budget and tax levy which may be applied to the costs of the Refinancing and has authorized the issuance of the Bonds to procure such funds and that an extraordinary emergency exists for the making of the additional appropriation hereafter set out; and

WHEREAS, notice of a hearing on said appropriation has been duly given by publication as required by law, and the hearing on said appropriation has been held, at which all taxpayers had an opportunity to appear and express their views as to such appropriation.

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

SECTION 1. There is hereby appropriated a sum not to exceed Six Million Four Hundred Thousand Dollars (\$6,400,000) out of the proceeds of the Bonds, together with all investment earnings thereon, for the purpose of the Refinancing, as provided in the Bond Ordinance. Such appropriation shall be in addition to all appropriations provided for in the existing budget and shall continue in effect until the completion of the described purposes.

SECTION 2. The Mayor, the Controller, the Clerk and other appropriate officers of the City are hereby authorized to take all such actions and execute all such instruments as are necessary or desirable to effectuate this ordinance, including the filing of a report of this appropriation with the Indiana Department of Local Government Finance.

SECTION 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. 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 5. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 6<sup>th</sup> day of May, 2009.

---

ANDY RUFF, President  
Bloomington Common Council

ATTEST:

---

REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

The Ordinance appropriates the proceeds from the issuance and sale of general obligation refunding bonds by the City to effect a refunding of its 1998 General Obligation bonds. The purpose is to provide savings to the City through a reduction in interest payments on the bonds.



**RESOLUTION 09-05**

**RESOLUTION OF THE CITY OF BLOOMINGTON, INDIANA  
APPROVING THE CURRENT REFUNDING OF THE  
BLOOMINGTON MUNICIPAL FACILITIES CORPORATION  
ECONOMIC DEVELOPMENT LEASE RENTAL BONDS OF 1998**

WHEREAS, on September 22, 1998, the Bloomington Municipal Facilities Corporation (the "Corporation") issued and delivered its Economic Development Lease Rental Bonds of 1998 (the "1998 Bonds") in the aggregate principal amount of Eleven Million Seven Hundred Fifty Thousand Dollars (\$11,750,000), which 1998 Bonds are now outstanding in the aggregate principal amount of Eight Million One Hundred Fifteen Thousand Dollars (\$8,115,000); and

WHEREAS, the proceeds of the 1998 Bonds financed the construction of road improvements to West Third Street and Patterson Drive in the City of Bloomington, Indiana (the "Project" and "City", respectively), which Project is leased by the Corporation to the Bloomington Redevelopment Commission (the "Commission") pursuant to a lease agreement (the "Lease"); and

WHEREAS, prior to the delivery of the 1998 Bonds, the Common Council of the City (the "Council") approved the issuance of the 1998 Bonds and the Lease; and

WHEREAS, on April 6, 2009 and on April 16, 2009, the Commission and the Corporation, respectively, adopted resolutions (collectively, the "Refunding Resolutions") authorizing the issuance of the Corporation's Economic Development Lease Rental Refunding Bonds, Series 2009 (the "Refunding Bonds"), to accomplish the current refunding and defeasance of the outstanding 1998 Bonds and achieve a net present value savings for the City; and

WHEREAS, the Council has been advised that the current refunding and defeasance of the outstanding 1998 Bonds through the issuance by the Corporation of its Refunding Bonds will create a substantial net present value savings for the City; and

WHEREAS, the Council finds that the refunding and defeasance of the outstanding 1998 Bonds should be approved and that the Corporation and Commission should take all actions necessary to accomplish said refunding and defeasance;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

SECTION 1. The issuance of the Refunding Bonds by the Corporation for the purpose of currently refunding and defeasing the outstanding 1998 Bonds in order to create substantial savings for the City is hereby approved. The Refunding Bonds may be issued in one or more series in an aggregate principal amount not to exceed Eight Million Six Hundred Thousand Dollars (\$8,600,000) and are hereby authorized to be sold at a price not less than ninety-eight percent (98%) of the par amount thereof, at a per annum interest rate not to exceed six percent (6%), with a first redemption date not later than August 1, 2019, and a redemption premium not to exceed two percent (2%).

SECTION 2. The Mayor, Controller and Clerk, together and/or individually, are hereby authorized and directed to execute such documents, instruments and federal tax certificates, with the advice of bond counsel, as may be necessary in connection with the issuance by the Corporation of the Refunding Bonds and the refunding and defeasance of the outstanding 1998 Bonds.

SECTION 3. The Corporation and Commission are hereby directed to take all actions necessary to accomplish the issuance of the Refunding Bonds and the refunding and defeasance of the outstanding 1998 Bonds, provided such actions are consistent with the terms and provisions of this resolution and the Refunding Resolutions.

SECTION 4. All ordinances or resolutions and parts of ordinances or resolutions in conflict herewith are hereby repealed.

SECTION 5. If any sections, sentence or provision of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

SECTION 6. This resolution shall be in full force and effect from and after its passage by the Council and approval of the Mayor of the City.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
ANDY RUFF, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of May, 2009.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This Resolution approves the issuance and sale of refunding bonds by the Bloomington Municipal Facilities Corporation to effect a refunding of its Economic Development Lease Rental Bonds of 1998. The purpose is to provide a savings through a reduction in interest payments on the bonds.

## **RESOLUTION 09-06**

### **RESOLUTION OF THE CITY OF BLOOMINGTON, INDIANA APPROVING THE CURRENT REFUNDING OF THE BLOOMINGTON MUNICIPAL FACILITIES CORPORATION FIRST MORTGAGE REFUNDING BONDS OF 1998**

WHEREAS, on June 1, 1994, the Bloomington Municipal Facilities Corporation (the "Corporation") issued and delivered its Lease Rental Bonds of 1994 (the "1994 Bonds") in the aggregate principal amount of Eight Million Three Hundred Twenty-Five Thousand Dollars (\$8,325,000); and

WHEREAS, the proceeds of the 1994 Bonds financed the construction of the City Hall, commonly known as the Showers Project (the "Project"), which Project is leased by the Corporation to the City of Bloomington, Indiana (the "City"), acting by and through its Board of Public Works (the "BPW"), pursuant to a lease agreement (the "Lease"); and

WHEREAS, prior to the delivery of the 1994 Bonds, the Common Council of the City (the "Council") approved the issuance of the 1994 Bonds and the Lease; and

WHEREAS, on July 23, 1998, the Corporation advance refunded the 1994 Bonds by issuing and delivering its First Mortgage Refunding Bonds of 1998 (the "1998 Bonds") in the aggregate principal amount of Eight Million Six Hundred Sixty Thousand Dollars (\$8,660,000), which 1998 Bonds are now outstanding in the aggregate principal amount of Five Million Nine Hundred Forty Thousand Dollars (\$5,940,000); and

WHEREAS, on April 14, 2009 and on April 16, 2009, the BPW and the Corporation, respectively, adopted resolutions (collectively, the "Refunding Resolutions") authorizing the issuance of the Corporation's First Mortgage Refunding Bonds, Series 2009 (the "Refunding Bonds"), to accomplish the current refunding and defeasance of the outstanding 1998 Bonds and achieve a net present value savings for the City; and

WHEREAS, the Council has been advised that the current refunding and defeasance of the outstanding 1998 Bonds through the issuance by the Corporation of its Refunding Bonds will create a substantial net present value savings for the City; and

WHEREAS, the Council finds that the refunding and defeasance of the outstanding 1998 Bonds should be approved and that the Corporation and BPW should take all actions necessary to accomplish said refunding and defeasance;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

SECTION 1. The issuance of the Refunding Bonds by the Corporation for the purpose of currently refunding and defeasing the outstanding 1998 Bonds in order to create substantial savings for the City is hereby approved. The Refunding Bonds may be issued in one or more series in an aggregate principal amount not to exceed Six Million Five Hundred Thousand Dollars (\$6,500,000) and are hereby authorized to be sold at a price not less than ninety-eight percent (98%) of the par amount thereof, at a per annum interest rate not to exceed six percent (6%), with a first redemption date not later than August 1, 2019, and a redemption premium not to exceed two percent (2%).

SECTION 2. The Mayor, Controller and Clerk, together and/or individually, are hereby authorized and directed to execute such documents, instruments and federal tax certificates, with the advice of bond counsel, as may be necessary in connection with the issuance by the Corporation of the Refunding Bonds and the refunding and defeasance of the outstanding 1998 Bonds.

SECTION 3. The Corporation and BPW are hereby directed to take all actions necessary to accomplish the issuance of the Refunding Bonds and the refunding and defeasance of the outstanding 1998 Bonds, provided such actions are consistent with the terms and provisions of this resolution and the Refunding Resolutions.

SECTION 4. All ordinances or resolutions and parts of ordinances or resolutions in conflict herewith are hereby repealed.

SECTION 5. If any sections, sentence or provision of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

SECTION 6. This resolution shall be in full force and effect from and after its passage by the Council and approval of the Mayor of the City.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
ANDY RUFF, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of April, 2009.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This resolution approves the issuance and sale of refunding bonds by the Bloomington Municipal Facilities Corporation to effect a refunding of its First Mortgage Refunding Bonds of 1998. The purpose is to provide a savings through a reduction in interest payments on the bonds.

**ORDINANCE 09-08**

**AN ORDINANCE OF THE COMMON COUNCIL OF  
THE CITY OF BLOOMINGTON, INDIANA,  
APPROVING THE ISSUANCE AND SALE OF REFUNDING REVENUE BONDS  
BY THE CITY FOR AND ON BEHALF OF THE  
BLOOMINGTON PARK AND RECREATION DISTRICT  
TO PROVIDE A SAVINGS TO THE PARK DISTRICT**

WHEREAS, the Common Council of the City of Bloomington, Indiana (the “Council” and the “City”, respectively) has previously established the Bloomington Board of Park Commissioners (the “Board”), the governing body of the Bloomington Park and Recreation District (the “Park District”), pursuant to Indiana Code 36-10-4, as amended; and

WHEREAS, on April 7, 2009, the Board adopted a resolution (the “Bond Resolution”) authorizing the issuance of refunding revenue bonds (the “Bonds”) of the Park District in the principal amount not to exceed Two Million Seven Hundred Thousand Dollars (\$2,700,000) for the purpose of financing the costs of currently refunding the outstanding Park District Bonds of 1999, dated March 1, 1999 (the “1999 Bonds”), and issuing the Bonds; and

WHEREAS, the Council has been advised by representatives of the Board that the current refunding of the outstanding 1999 Bonds will result in a savings to the Park District through a reduction in interest payments on the Bonds; and

WHEREAS, the Bonds will be payable from the Net Revenues of the Cascades Golf Course, with a special benefits tax back-up; and

WHEREAS, pursuant to Indiana Code 36-10-4-35, the Council must approve the issuance of the Bonds of the Park District prior to their issuance and, for purposes of federal tax laws, must authorize certain findings with respect thereto;

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

SECTION 1. The Council approves the issuance of the Bonds pursuant to the provisions of the Bond Resolution.

SECTION 2. Prior to the delivery of the Bonds, the Mayor is authorized to deliver a certificate designating the Bonds as “bank qualified” if it is determined by the Mayor, with the advice of bond counsel, that the Bonds will meet the requirements of Section 265(b) of the Internal Revenue Code of 1986, as amended.

SECTION 3. All ordinances or resolutions and parts of ordinances or resolutions in conflict herewith are hereby repealed.

SECTION 4. If any sections, sentence or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 5. This ordinance shall be in full force and effect from and after its passage by the Council and approval of the Mayor of the City.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 6<sup>th</sup> day of May, 2009.

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ANDY RUFF, President  
Bloomington Common Council

ATTEST:

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REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of May, 2009.

---

REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of May, 2009.

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MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This Ordinance approves the issuance and sale of refunding revenue bonds by the City and on behalf of the Bloomington Park and Recreation District to effect a refunding of its 1999 Parks District bonds. The purpose is to provide a savings to the Park District through a reduction in interest payments on the bonds.