



City of Bloomington Common Council

Legislative Packet

Regular Session

06 June 2007

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

812.349.3409

council@bloomington.in.gov
<http://www.bloomington.in.gov>



Packet-Related Material

Memo

Agenda

Calendar

Notices and Agendas: *None*

Legislation Relating to the Annexation of 2501 South Leonard Springs Road Ready for Final Action:

- **Ord 07-10** An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (2501 South Leonard Springs Road)
*Contact: Susan Clark at 349-3416 or clarks@bloomington.in.gov
Tricia Bernens at 349-3426 or bernenst@bloomington.in.gov*
 - Please see the [Legislative Packet](#) issued for the 16 May 2007 meeting for the legislation and background material.
- **Ord 07-08** To Amend the Bloomington Zoning Maps and Zone Property Currently in the Monroe County Planning Jurisdiction to Commercial General (CG) in Anticipation of Annexation - Re: 2501 South Leonard Springs Road (Small Town Properties, Petitioner)
Contact: Tom Micuda at 349-3459 or micudat@bloomington.in.gov
 - Please see the [Legislative Packet](#) issued for the 23 May 2007 meeting for the legislation and background material.

Legislation and Background Material for First Reading:

- **Ord 07-04** Authorizing the City of Bloomington, Indiana to Issue Its "Economic Development Revenue Bonds, Series 2007 (Jill's House, Inc. Project)" and Approving Other Actions in Respect Thereto
 - *Memo* from Danise Alano, Director of Economic Development, and Susan Failey, Assistant City Attorney; *Memo* from Bond Counsel; Application; Cover Letter; Rendering of Building;
 - Forthcoming: Economic Development Commission Res 07-02
 - Available in the Council Office: "Substantially Final Form" of *Financing Agreement* consisting of: Loan Agreement, Promissory Note, Bond Purchase Agreement and Preliminary Offering Circular.*Contact: Danise Alano at 349-3406 or alanod@bloomington.in.gov*

Minutes from Regular Session: 16 May 2007

Memorandum

Two Ordinances Ready for Final Action and One Ready for Introduction at the Regular Session on 06 June 2007

Two ordinances are coming forward from the Special Session on 23 May 2007 for final action regarding the annexation of 2501 South Leonard Springs Road. These ordinances and supporting documents are included in the *Legislative Packets* issued in interest of Council meetings on 16 May 2007 and 23 May 2007. Only one item is ready for introduction at this week's meeting -- an ordinance authorizing the issuance of Economic Development Revenue Bonds for Jill's House. The legislation and background documents for this bond ordinance are contained herein.

First Readings

Item 1 - Ord 07-04 – Authorizing the Issuance of Economic Development Revenue Bonds for the Construction and Equipping of Jill's House

Ord 07-04 authorizes issuance of tax-exempt Economic Development Revenue Bonds for the construction and equipping of Jill's House at 751 East Tamarack Trail. The following is drawn from the materials submitted by Danise Alano, Director of Economic Development, Susan Failey, Assistant City Attorney, a *Memorandum* submitted by bond counsel for Fifth Third Securities, Inc. and relevant statutes.

Project

As you know, Jill's House is the inspiration of Bud and Peg Howard who have created a non-profit entity to provide housing for patients and families of patients being treated at the Midwest Proton Radiotherapy Institute (MPRI). These patients face a course of treatment lasting six to eight weeks and this facility will provide patients and families with a place to stay during those treatments at an affordable price (about \$30 per night). All but one of you (Susan) should be familiar with the project, given your approval of the planned unit development last October ([Ord 06-19](#)). By way of brief review: the facility will be a three-story building with 31,058 square feet and will include private 25 bedrooms and baths, four shared kitchens, a dining room, playroom, library, two laundry facilities, a gathering room and a chapel.

The Howards have raised \$900,000 and have arranged for Robert Wheeler, owner of Meadowood, to donate the 2.63 acres of land for the project. Jill's House anticipates that the facility will have an annual operating budget of \$464,000 and will need a full-time manager and part-time staff (creating three to five jobs) and will have a starting payroll of around \$70,000. Along with the foregoing economic benefits, please recall statements made last fall that a facility of this sort makes the MPRI more competitive with the other treatment centers around the country.

As you also know, Jill's House is named in memory of Jill Behrman, an Indiana University sophomore who was abducted on May 31, 2000. In honoring Jill, the facility will provide comfort for others who are suffering.

Tax-Exempt Economic Development Revenue Bonds

State law (I.C. §§36-7-11.9 and 36-7-12) enables cities to issue tax-exempt bonds and lend the proceeds to developers of economic development (or pollution control) facilities found to create or maintain jobs, promote economic development, and benefit the health and general welfare of the community. It is important to note that these bonds are *not* obligations of the City and are *not* payable with tax revenues. In essence, the City lends its name as issuer of bonds in order to lower the cost of the financing of the project, but does not incur any obligation to repay them.

Procedure

According to statute, the City's Economic Development Commission (EDC) takes the initial steps in authorizing these tax-exempt bonds. These steps include, in part:

- holding a public hearing on the proposal (scheduled for June 8th);
- making special findings regarding the proposal's compliance with statutory regulations, benefit to the health and welfare of the citizens, and lack of adverse effect on similar nearby facilities; and
- adopting a resolution that is forwarded to the Council along with numerous bond documents known collectively as the *Financing Agreement*.

Legislation

The ordinance documents actions that have already been taken and authorizes actions that will be taken in order for these tax-exempt bonds to be used for financing the Jill's House project. The ordinance was prepared by bond counsel and is rather technical. The following summarizes its provisions:

- Section 1 – Finds that the financing arrangement - whereby the City issues bonds secured by a *Trust Indenture* and loans the proceeds to the borrower to construct and equip Jill's House and the borrower then pays back the interest and principal on the bonds - are in compliance with statute and will be of benefit to the health and welfare of the City and its citizens;
- Section 2 - Describes the project (*see* previous paragraphs);
- Section 3 - Confirms the expected finding of the EDC, after its public hearing on June 8, 2007, that the facilities will not have an adverse competitive effect on any similar facilities located in or near the City and concludes that the facility will be of benefit to the health and welfare of the citizens of the City;

- Section 4 - Approves and incorporates by reference the substantially-final form of the *Financing Agreement* and ratifies and approves the use of the *Preliminary Offering Circular* by Fifth Third Securities, Inc. in pre-marketing the bonds. The *Financing Agreement* is a term used to refer to the following documents as a collective: *Loan Agreement*, *Promissory Note*, *Bond Purchase Agreement*, *Trust Indenture*, and *Preliminary Offering Circular*. As you know, the *Loan Agreement* sets forth the terms of the loan; the *Note* is the debt instrument given to the City by Jill's House evidencing the loan; the *Bond Purchase Agreement* sets forth the terms of the purchase of the bonds by Fifth Third; the *Trust Indenture* assigns payments the City receives from Jill's House under the *Loan Agreement* and *Note* to the trustee, as representative of the bondholders, for the repayment of the bonds; and the *Preliminary Offering Circular* is used by Fifth Third to market the bonds.

Please refer to the *Memorandum* submitted by bond counsel, Bingham McHale, (representing Fifth Third) for a summary of these documents, including detailed summaries of the *Loan Agreement* and the *Trust Indenture*. All the above-described documents comprising the *Financing Agreement* are available for review in the Office of the City Clerk.

- Section 5 – Authorizes the issuance of the bonds and declares that they shall never constitute a debt of the City, nor be payable from tax revenues and sets forth the maximum amount (\$3 million), maximum period of maturity (40 years), form, and denomination of the bonds pursuant to *Loan Agreement* and *Indenture*;
- Section 6 - Directs the Mayor and City Clerk to sell the bonds to Fifth Third Securities, Inc., as underwriter, at a price not less than 2% of the principal amount and at an interest rate which shall not exceed the maximum set forth in the *Trust Indenture*;
- Section 7 - Directs the Mayor and Clerk to execute documents necessary or desirable to facilitate and complete this transaction, and authorizes them to approve modifications and additions to the *Financing Agreement* without further action by the Council so long as the modifications do not change the maximum principal amount, interest rate, or maturity period set forth in the ordinance;
- Section 8 - Makes the provisions of the ordinance and *Trust Indenture* a binding contract between the City and bond holders, and prohibits the City from amending or repealing the ordinance in any way that would adversely affect the rights of bond holders as long as the bonds and interest remain unpaid; and
- Section 9 – Designates these 501(c)(3) bonds as tax-exempt obligations pursuant to Section 265(b) of the Internal Revenue Code of 1986.

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL REGULAR SESSION
7:30 P.M., WEDNESDAY, JUNE 6, 2007
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

I. ROLL CALL

II. AGENDA SUMMATION

III. APPROVAL OF MINUTES FOR: May 16, 2007 (Regular Session)

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. Ordinance 07-10 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (2501 South Leonard Springs Road)

Motion to Forward to Regular Session on June 6, 2007: 8 – 0 – 0

2. Ordinance 07-08 To Amend the Bloomington Zoning Maps and Zone Property Currently in the Monroe County Planning Jurisdiction to Commercial General (CG) in Anticipation of Annexation – Re: 2501 South Leonard Springs Road (Small Town Properties, Petitioner)

Motion to Forward to Regular Session on June 6, 2007: 8 – 0 – 0

VII. LEGISLATION FOR FIRST READING

1. Ordinance 07-04 Authorizing the City of Bloomington, Indiana to Issue Its “Economic Development Revenue Bonds, Series 2007 (Jill’s House, Inc. Project)” and Approving Other Actions in Respect Thereto

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
Indiana

City Hall
401 N. Morton St.
Post Office Box 100
Bloomington, Indiana 47402



Office of the Common Council
(p:) 812.349.3409
(f:) 812. 349.3570
council@bloomington.in.gov
www.bloomington.in.gov/council

To: Council Members
From: Council Office
Re: Calendar for the Week of June 4-9, 2007

June is Adopt a Shelter Cat Month!

Monday, June 4, 2007

4:30 pm Plat Committee, Hooker Room
5:00 pm Redevelopment Commission, McCloskey
5:30 pm Bicycle & Pedestrian Safety Commission Work Session, Hooker Room
5:30 pm Plan Commission, Council Chambers

Tuesday, June 5, 2007

1:30 pm Development Review Committee, McCloskey
5:00 pm Solid Waste Advisory Council, McCloskey
7:30 pm Telecommunications Council, Council Chambers

Wednesday, June 6, 2007

10:00 am *Touch a Truck* -- A fire truck, police car, school bus, and other City vehicles will be on display for children to explore., \$1/person, Twin Lakes Sports Park, 2350 W. Bloomfield Rd.
12:00 pm Bloomington Urban Enterprise Association, McCloskey
2:00 pm Hearing Officer, Kelly
3:30 pm Housing Trust Fund Meeting, McCloskey
6:00 pm Jack Hopkins Social Services Funding Committee - Program Evaluation Meeting, Council Library
7:30 pm Common Council Regular Session, Council Chambers, Council Library

Thursday, June 7, 2007

11:30 am Solid Waste Management District, Monroe County Courthouse, Judge Nat U. Hill, III Room
4:00 pm Bloomington Digital Underground Advisory Committee, McCloskey
5:30 pm Commission on the Status of Women, McCloskey
6:00 pm Homebuyer's Club, Hooker Room

Friday, June 8, 2007

12:00 pm *Don't Borrow Trouble*, Kelly
12:00 pm Economic Development Commission, Hooker Room
1:30 pm Metropolitan Planning Organization Technical Advisory Committee, McCloskey

Saturday, June 9, 2007

8:00 am Bloomington Community Farmers' Market & *A Fair of the Arts*, Showers Common

Legislation

ORDINANCE 07-04

AUTHORIZING THE CITY OF BLOOMINGTON, INDIANA TO ISSUE ITS "ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2007 (JILL'S HOUSE, INC. PROJECT)" AND APPROVING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the City of Bloomington, Indiana Economic Development Commission has rendered its Project Report for the Jill's House, Inc. Project regarding the financing of proposed economic development facilities for Jill's House, Inc. (the "Borrower"), and the Commission has commented favorably thereon; and

WHEREAS, the City of Bloomington, Indiana Economic Development Commission conducted a public hearing on June 8, 2007 before the Commission, and adopted a Resolution on June 8, 2007, which Resolution has been transmitted hereto, finding that the financing of certain economic development facilities of the Borrower, as owners, complies with the purposes and provisions of I.C. 36-7-11.9 and -12 and that such financing will be of benefit to the health and welfare of the City of Bloomington, Indiana and its citizens; and

WHEREAS, the City of Bloomington, Indiana Economic Development Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council, has considered the issue of adverse competitive effect and has approved the forms of and has transmitted for approval by the Common Council the Loan Agreement; the Note; the Bond Purchase Agreement; the Trust Indenture; and the Preliminary Offering Circular.

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

Section 1. It is hereby found that the financing of the economic development facilities referred to in the Loan Agreement approved by the City of Bloomington, Indiana Economic Development Commission and presented to this Common Council, the issuance and sale of the City of Bloomington, Indiana Economic Development Revenue Bonds, Series 2007 (Jill's House, Inc. Project) (the "Bonds"), the loan of the proceeds of the Bonds to the Borrower for the acquisition, construction and equipping of such facilities, the payment of the Bonds by the note payments for the payment of interest on or principal of the Bonds, and the securing of said Bonds, under the Trust Indenture complies with the purposes and provisions of I.C. 36-7-11.9 and -12 and will be of benefit to the health and welfare of the City of Bloomington, Indiana and its citizens.

Section 2. The economic development facilities will consist of the construction and equipping of an economic development facility consisting of the construction and equipping of a new 31,058 square foot, three story, 25 bedroom residential facility located at 751 East Tamarack Trail, Bloomington, Indiana, to be used by the Borrower to provide lodging for families of patients of the Midwest Proton Radiotherapy Institute (the "Project").

Section 3. At the public hearing held before the City of Bloomington, Indiana Economic Development Commission, the Commission considered whether the economic development facilities would have an adverse competitive effect on any similar facilities located in or near the City of Bloomington, Indiana and subsequently found, based on special findings of fact set forth in the Resolution transmitted hereto, that the facilities would not have an adverse competitive effect. This Common Council hereby confirms the findings set forth in the Commission's Resolution, and concludes that the facilities in or near the City of Bloomington, Indiana will be of benefit to the health and welfare of the citizens of the City of Bloomington, Indiana.

Section 4. The substantially final forms of the Loan Agreement; the Note; the Bond Purchase Agreement; the Trust Indenture; and the Preliminary Offering Circular approved by the City of Bloomington, Indiana Economic Development Commission are hereby approved (herein collectively referred to as the "Financing Agreement" referred to in I.C. 36-7-11.9 and -12) and the Financing Agreement shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk. Use by Fifth Third Securities, Inc., as Underwriter, of the Preliminary Offering Circular in the pre-marketing of the Bonds is hereby ratified and approved. In accordance with the provisions of I.C. 36-1-5-4 two (2) copies of the Financing Agreement are on file in the office of the Clerk for public inspection.

Section 5. The City of Bloomington, Indiana shall issue its Bonds in the total principal amount not to exceed \$3,000,000 and maturing no later than forty (40) years from the date of the first principal payment thereon. Said Bonds are to be issued for the purpose of procuring funds to pay the costs of acquisition, construction and equipping of the economic development facilities, as more particularly set out in the Trust Indenture and Loan Agreement, incorporated herein by reference, which Bonds will be payable as to principal, premium, if any, and interest from the note payments made by the Borrower under the Loan Agreement and Note or as otherwise provided in the above described Trust Indenture. The Bonds shall be issued in a fully registered form in denominations of \$100,000 or in integral multiples of \$5,000 in excess thereof as set forth in the Trust Indenture. Payments of principal and interest are payable in lawful money of the United States of America by check or draft mailed or delivered to the registered owners as provided in the Trust Indenture. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Bloomington, Indiana nor are the Bonds payable in any manner from revenues raised by taxation.

Section 6. The Mayor and Clerk are authorized and directed to sell the Bonds to Fifth Third Securities, Inc., as Underwriter, at a price of not less than 98% of the principal amount thereof which shall include an underwriter's discount not to exceed 2%. The Bonds shall bear interest at the rates per annum established in the Trust Indenture, provided that the interest rate on the bonds shall not exceed the Maximum Rate, as such term is defined in the Trust Indenture.

Section 7. The Mayor and the Clerk are authorized and directed to execute, attest, affix or imprint by any means the seal of the City of Bloomington, Indiana to the documents constituting the Financing Agreement approved herein on behalf of the City of Bloomington, Indiana and any other document which may be necessary or desirable prior to, on or after the date hereof to consummate or facilitate the transaction, including the Bonds authorized herein. The Mayor and Clerk are hereby expressly authorized to deem the Preliminary Offering Circular relating to the issuance of the Bonds as a nearly final Offering Circular. The Mayor and Clerk are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Agreement which take place after the date of this Ordinance with the review and advice of the counsel to the City of Bloomington, Indiana; it being the express understanding of this Common Council that said Financing Agreement is in substantially final form as of the date of this Ordinance. The approval of said modifications or additions shall be conclusively evidenced by the execution and attestation thereof and the affixing of the seal thereto or the imprinting of the seal thereon; provided, however, that no such modification or addition shall change the maximum principal amount of, interest rate on or term of the Bonds as approved by the Common Council with this Ordinance without further consideration by the Common Council. The signatures of the Mayor and Clerk on the Bonds may be either manual or facsimile signatures. The Clerk is authorized to arrange for delivery of such Bonds to the Trustee named in the Trust Indenture, and payment for the Bonds will be made to the Trustee named in the Trust Indenture and after such payment, the Bonds will be delivered by the Trustee to the purchasers thereof. The Bonds shall be originally dated the date of issuance and delivery thereof.

Section 8. The provisions of this Ordinance and Trust Indenture securing the Bonds shall constitute a contract binding between the City of Bloomington, Indiana and the holders of the Bonds, and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as said Bonds or the interest thereon remains unpaid.

Section 9. The City of Bloomington, Indiana hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

Section 10. This Ordinance shall be in full force and effect from and after its passage.

ADOPTED AND APPROVED BY the Common Council of the City of Bloomington, Indiana, this 20th day of June, 2007.

DAVE ROLLO, 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 June, 2007.

REGINA MOORE, Clerk
City of Bloomington

SIGNED AND APPROVED by me this _____ day of June, 2007.

MARK KRUZAN, Mayor
City of Bloomington

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

I, Regina Moore, Clerk, Bloomington, Monroe County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Ordinance 07-04, passed by the Common Council on the 20th day of June, 2007, by a vote of ___ AYES and ___ NAYS, which was signed by the Mayor on the ____ day of June, 2007, and now remains on file and on record in my office.

WITNESS my hand and the official seal of the City of Bloomington, Indiana, this ____ day of June, 2007.

REGINA MOORE, Clerk
City of Bloomington

(SEAL)

Synopsis

This authorizes the issuance of Economic Development Revenue Bonds in an amount not to exceed \$3 million to construct and equip Jill's House which is a 25-bedroom residential facility located 751 East Tamarack Trail and to be used for patients and families of patients being treated at the Midwest Proton Radiotherapy Institute.



Memorandum

To: City of Bloomington Common Council
CC: Dan Sherman, Council Attorney
From: Danise Alano, Director of Economic Development
Susan Failey, Assistant City Attorney
Date: May 24, 2007
Re: **Ordinance 07-04: Issuance of Economic Development Revenue Bonds, Series 2007 to Jill's House, Inc.**

The City of Bloomington, upon approval by the Economic Development Commission and the Common Council, is authorized to issue tax-exempt Economic Development Revenue Bonds when it finds that a proposed project will be of benefit to the health and welfare of the City of Bloomington and its citizens. The purpose of such financing is to create jobs, increase the tax base and promote economic diversification. The procedure for such financing is primarily controlled by State law, Ind. Code §§36-7-11.9 and 36-7-12, and the Internal Revenue Code.

The bonds are not an obligation of the City of Bloomington, and are not payable with tax revenue; they are payable solely by the borrower.

Application by Jill's House, Inc., to issue Economic Development Bonds, Series 2007, Amount not to exceed \$3,000,000

Jill's House, Inc., a 501c(3) not-for-profit organization which has been extremely successful since 2002 in raising funds for the express purpose of housing and supporting cancer patients undergoing treatment at the Midwest Proton Radiotherapy Institute (MPRI) in Bloomington.

This radiation treatment has proven remarkably effective and Bloomington's MPRI is one of three functioning proton therapy clinics in the country. It is estimated that one-fourth of the U.S. population lives within a 300 mile radius of Bloomington and the MPRI serves this mid-section of the country. The typical course of this type of treatment would require a six- to eight-week stay in Bloomington for out-of-town patients and their families. Jill's House, Inc. plans to build a lodging facility to provide a comfortable home-like atmosphere at low (approximately \$30 per night) or no cost when needed for children or adults receiving treatment as well as for their caregivers.

Jill's House, Inc. will use the bond proceeds to construct and equip this 25-bedroom residential facility – Jill's House – at 751 East Tamarack Trail in Bloomington, nearby to the MPRI facility. The project consists of a 31,000 sq ft, three-story facility with private bedrooms and baths along with four shared kitchens, a dining room, library, playroom, two laundry facilities, a gathering/meeting room and a chapel. A full-time manager will support the facility along with part-time and volunteer assistance.

Jill's House is named in honor of Jill Behrman and seeks to honor Jill and her family by providing a place of comfort for others who are suffering.

The Jill's House Project was approved by the City of Bloomington Plan Commission and the Common Council in September and October 2006, respectively. The total budget for the facility is expected to reach \$5 million, including an operating endowment. Jill's House, Inc. will initially invest \$900,000 of its own capital into the project and will continue fundraising efforts as well. The Economic Development Commission will hold a public hearing on June 8, 2007 to forward a resolution recommending Common Council adoption of Ordinance 07-04.

Bingham ● McHale^{LLP}

a t t o r n e y s a t l a w

MEMORANDUM

TO: City of Bloomington, Indiana

FROM: Deron S. Kintner

DATE: May 30, 2007

SUBJECT: Summary of Bond Documents for Jill's House, Inc. Project

This memorandum provides a brief summary of the documents to be presented to the Common Council of the City of Bloomington, Indiana (the "City") for approval in connection with the City's Economic Development Revenue Bonds, Series 2007 (Jill's House, Inc. Project) (the "Bonds").

1. Preliminary Offering Circular

The Preliminary Offering Circular (POC) will be used by Fifth Third Securities, Inc. (the "Underwriter") to market the Bonds to potential purchasers. The POC provides investors with relevant information on i) the structure of the transaction, ii) the parties to the transaction, including the City, iii) the Bond Documents, and iv) various other items that will assist in making the Bonds marketable.

2. Bond Purchase Agreement

The Bond Purchase Agreement (BPA) sets forth the terms of the purchase of the Bonds by the Underwriter. Among other things, the BPA sets forth certain conditions that must occur before the Underwriter will purchase the Bonds, including providing the Underwriter with specific documents and opinions. Also contained in the BPA are certain representations and warranties of both the City and Jill's House, Inc. (the "Borrower").

3. Loan Agreement & Note

Once the Bonds are issued, the City will loan the Bond proceeds to the Borrower for use on the Project (the "Loan"). The Loan Agreement sets forth the terms of this Loan, while the Note is the debt instrument given to the City by the Borrower evidencing the Loan. The City will assign its rights under the Loan Agreement and Note to the Trustee as security for the Bonds. The Borrower will make payments under the Loan Agreement and Note that will mirror the debt service payments

on the Bonds. In fact, the Borrower will make the payments directly to the Trustee to be applied to the debt service due on the Bonds. A summary of the Loan Agreement is contained in the POC and is attached hereto as Exhibit A.

4. Trust Indenture

In the Trust Indenture, the City assigns the payments it receives from the Borrower under the Loan Agreement and Note to the Trustee, as representative of the Bondholders, for the repayment of the Bonds. The City is only obligated to make debt service payments on the Bonds from the payments made by the Borrower under the Loan Agreement and Note. Another primary function of the Trust Indenture is to establish funds that will be held by the Trustee for the deposit of certain monies received by the City. A summary of the Trust Indenture is contained in the POC and is attached hereto as Exhibit B.

EXHIBIT A

Summary of Loan Agreement

The following is a summary of certain provisions of the Loan Agreement, to which document in its entirety reference is made for the detailed provisions thereof.

General

Under the Loan Agreement, the Issuer agrees to issue, sell and deliver the Bonds pursuant to the Indenture, subject to specified conditions and shall cause the proceeds of the sale of the Bonds to be deposited with the Trustee and applied as contemplated by the Indenture.

Payment Obligations of the Borrower

The Borrower will pay to the Trustee as assignee of the Issuer on or before any interest payment date for the Bonds or any other date that any payment of interest, premium, if any, purchase price, or principal is required to be made until such time as the Bonds shall have been fully paid or provision made for such payment as described under the caption “THE INDENTURE—Discharge of Lien” in immediately available funds, a sum which together with any Eligible Funds (as defined in the Indenture) held by the Trustee, will be in an amount sufficient to pay principal or purchase price of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption or purchase or otherwise coming due on the Bonds; provided, however, such obligation will be deemed satisfied to the extent of corresponding draws under the Letter of Credit. The Borrower must deliver the initial Letter of Credit to the Trustee, and the Trustee is authorized to draw upon the Letter of Credit as described above.

Administrative Expenses

The Borrower must pay the Trustee’s reasonable fees and charges under the Indenture and the reasonable fees and charges of the Remarketing Agent, the Bank and the Issuer.
Maintenance, Repair and Modification

The Borrower will at its own expense keep the Project in good repair and good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof. The Borrower may, from time to time and at its own expense, make any modifications or improvements to the Project as it may deem desirable, provided that such modifications or improvements do not (a) materially and adversely affect the scope, character, value or operation of the Project without the prior written consent of the Bank, (b) impair the exclusion of interest on the Bonds from gross income for federal income tax purposes or (c) contravene the provisions of the Act.

Taxes and Other Charges and Insurance

The Borrower, subject to its right to contest such taxes or charges as provided in the Reimbursement Agreement, will pay before any interest, collection fees or penalties shall accrue, all

taxes, assessments and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against the Project and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

The Borrower will continuously insure the Project against such risks and in such amounts with respect to the Project as are customarily insured against by businesses of like size and type, as specifically provided in the Loan Agreement.

Damage, Destruction and Condemnation

In the event the Project is damaged or destroyed or taken in condemnation or by eminent domain, the Borrower shall promptly give written notice thereof to the Issuer, the Bank and the Trustee. The net proceeds of the title insurance and casualty and property insurance carried with respect to the Project or the net proceeds resulting from condemnation or eminent domain proceedings shall be paid to the Bank and subject to the provisions of the Loan Agreement. As soon as practicable, the Bank shall notify the Trustee whether such insurance or condemnation proceeds will be permitted to be used to restore the Project as provided in the Loan Agreement or used to prepay the Loan and cause the Bonds to be paid or redeemed to the extent of the available insurance or condemnation proceeds. If the Bank allows such proceeds, or any part thereof, to be used to restore the Project, the Trustee shall deposit the net insurance or condemnation proceeds it receives from the Bank in the Construction Fund, which shall be reactivated, or if the Bank elects to cause the Loan to be prepaid to the extent of such net proceeds, such insurance or condemnation proceeds shall be deposited in the Bond Fund and be used to reimburse the Bank for a draw under the Letter of Credit in connection with the redemption of Bonds as provided in the Indenture.

Assignment and Leasing

The Borrower shall not assign or transfer its rights or obligations under the Loan Agreement, or lease any portion of the Project, other than in the ordinary course of business without the prior written consent of the Bank and the delivery of specified evidence of the Borrower's compliance with the terms of the Loan Agreement.

Special Covenants

The obligation of the Borrower to make loan repayments and to perform and observe its other covenants and agreements contained in the Loan Agreement and the Promissory Note will be absolute and unconditional until such time as the principal of, premium, if any, and interest on all outstanding Bonds shall have been fully paid or provided for in accordance with the Indenture and shall not be subject to any defense or right of set-off, counterclaim or recoupment against the Issuer, the Trustee or any other person.

The Borrower will not take, nor permit to be taken on its behalf, any action which would impair the exclusion of interest on the Bonds from gross income for federal income tax purposes and will take such reasonable action as may be necessary to maintain the exclusion during the term of the Loan Agreement.

Defaults and Remedies

Each of the following is an “Event of Default” under the Loan Agreement:

(a) Failure by the Borrower to pay the loan repayments in the amounts and at the times provided in the Loan Agreement or the Promissory Note; provided, however, that no Event of Default described in this subparagraph (a) shall be deemed to have occurred solely by reason of such failure to make such payments if and to the extent that payments have nonetheless been made by the Bank to the Trustee pursuant to the Letter of Credit for deposit in the Bond Fund at such times and in such manner so as to prevent an event of default described under clause (a) or (b) under the heading “THE INDENTURE—Defaults and Remedies” herein;

(b) Failure by the Borrower to make payments in the amounts and at the times provided in the Loan Agreement so to enable the Trustee to pay the purchase price of all Bonds to be purchased on each Optional Tender Date, the Conversion Date, and each Mandatory Purchase Date; provided, however, that no Event of Default described in this subparagraph (b) shall be deemed to have occurred solely by reason of such failure to make such payments if and to the extent that payments have nonetheless been made by the Bank to the Trustee pursuant to the Letter of Credit for deposit in the Bond Purchase Fund at such times and in such manner so as to prevent an event of default described under clause (c) under the heading “THE INDENTURE—Defaults and Remedies” herein;

(c) Failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed in the Loan Agreement or the Promissory Note for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Issuer, the Bank or the Trustee; provided, however, that if the failure is such that it can be corrected but not within such 30-day period, and corrective action is instituted by the Borrower within such period and diligently pursued until such failure is corrected, then such period shall be increased to such extent as shall be determined by the Trustee with the consent of the Bank to be necessary to enable the Borrower to observe or perform such covenant, condition, undertaking or agreement through the exercise of due diligence;

(d) Any representation or warranty made by the Borrower in any document delivered by the Borrower to the Trustee or the Bank or the Issuer in connection with the sale and delivery of the Bonds proves to be untrue when made in any material respect;

(e) Occurrence of an Event of Default under the Indenture; or

(f) The Borrower (i) shall generally not pay its debts as they become due, (ii) shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, (iv) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (v) shall take any action to authorize any of the actions described

above in this subparagraph (f), or (vi) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

Whenever any such Event of Default shall have occurred and be continuing, and if acceleration of the maturity of the Bonds has been declared under the Indenture:

(a) The Trustee shall declare all Loan Repayments to be immediately due and payable, whereupon the same shall become immediately due and payable and the Trustee shall thereupon draw upon the Letter of Credit in accordance with its terms and the terms of the Indenture;

(b) Subject to the reasonable security and safety requirements of the Borrower, the Issuer or the Trustee may have access to and inspect, examine, and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower, only insofar as they relate to the Project or the Event of Default and the remedying thereof; and

(c) To the extent of any insufficiency after drawing under the Letter of Credit, the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Loan Agreement, the Promissory Note or to enforce the performance of any other obligation or agreement of the Borrower under such documents.

No remedy in the Loan Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and will be in addition to every other remedy given under the Loan Agreement or the Indenture or then or thereafter existing at law or in equity or by statute.

Amendments to Loan Agreement

The Issuer and the Borrower may, with the consent of the Bank and the Trustee but without the consent of the Bondholders, amend, change or modify the Loan Agreement as may be required;

(a) to cure any ambiguity or formal defect or omission which shall not adversely affect the interests of the Bondholders; (b) to grant or pledge to the Issuer or the Trustee for the benefit of the bondholders or the Bank, any additional security; or (c) in connection with any other change therein which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not to the prejudice of the Trustee or the Bondholders.

Except for amendments permitted in the preceding paragraph, the Loan Agreement cannot be amended or modified without the consent of the Bank and the consent of the holders of not less than a majority in the aggregate principal amount of the Bonds then outstanding, such consent to be obtained in accordance with the Indenture.

EXHIBIT B

Summary of Trust Indenture

The following is a summary of certain provisions of the Indenture, to which document in its entirety reference is made for the detailed provisions thereof.

Assignment and Security

Pursuant to the Indenture, the Issuer's interest in the Security is pledged and assigned to the Trustee by the Issuer to secure payment of the principal of, premium, if any, and interest on the Bonds and the purchase price of the Bonds.

Bond Fund

The Indenture establishes a Bond Fund, which will be held by the Trustee. The Trustee will deposit in the Bond Fund (a) any accrued interest received on the sale of the Bonds; (b) all Loan Repayments under the Loan Agreement, including all proceeds resulting from the enforcement of the Security or its realization as collateral; (c) insurance and condemnation proceeds as and to the extent provided in the Loan Agreement; (d) all moneys received by the Trustee under the Loan Agreement for deposit in the Bond Fund; (e) all moneys drawn under the Letter of Credit to pay principal of, premium, if any, or interest on the Bonds (which shall be deposited in the Letter of Credit Account created within the Bond Fund and not commingled with any other moneys in the Bond Fund); and (f) any other moneys received by the Trustee with directions for deposit in the Bond Fund.

Except as otherwise described in the next succeeding sentence, the Bond Fund will be used first solely for the payment of the interest on the Bonds and for the payment of principal of and premium, if any, on the Bonds upon maturity or prior redemption and then, to the extent of any moneys remaining on deposit therein, for the payment of any amounts owed by the Borrower to the Issuer and then to the Bank pursuant to the Borrower's reimbursement obligations under the Reimbursement Agreement; provided, however, that any amounts transferred from the Construction Fund to the Bond Fund may only be used in accordance with the provisions of the Loan Agreement. Moneys in the Bond Fund shall also be used to reimburse the Bank for any amounts due under the Reimbursement Agreement resulting from a drawing under the Letter of Credit to pay principal of, premium, if any and interest due on the Bonds.

Pursuant to the Indenture, the Trustee is directed to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, only in the following order of payment:

(a) Amounts realized by the Trustee under the Letter of Credit for principal, premium, if provided, and interest on the Bonds.

(b) Eligible Funds on deposit in the Bond Fund, other than amounts realized by the Trustee under the Letter of Credit.

(c) Any other amounts (whether or not Eligible Funds) in the Bond Fund, including amounts received by the Trustee pursuant to the Loan Agreement.

On the Business Day preceding the day on which any principal and/or interest shall become due on the Bonds (whether upon any Interest Payment Date, at maturity, upon the date fixed for redemption or upon maturity or acceleration of the Bonds), the Trustee shall, without making any prior claim or demand upon the Borrower, take actions under and in accordance with the Letter of Credit so as to receive moneys on such date thereunder in an amount equal to the amount of principal and interest (and premium, but only if so provided for under the Letter of Credit) coming due on the Bonds on the date such payment is due.

Construction Fund

The net proceeds of the issuance and delivery of the Bonds shall be deposited in the Construction Fund. Pursuant to the Loan Agreement and the Indenture, the Trustee is authorized to make each disbursement from the Construction Fund upon receipt of a requisition from the Borrower (subject to the Bank's written consent) to pay for the retirement and discharge of certain prior indebtedness. Such requisitions shall comply with the requirements of the Loan Agreement. The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom.

Bond Purchase Fund

The Indenture establishes a Bond Purchase Fund, which will be held by the Trustee. There shall be deposited into the Bond Purchase Fund, as and when received, (a) the proceeds of the remarketing of Bonds by the Remarketing Agent pursuant to the Indenture; (b) all moneys realized by the Trustee under the Letter of Credit for the purpose of paying the purchase price of Bonds tendered or deemed tendered to the Trustee for purchase; (c) all payments made by the Borrower under the Loan Agreement to enable the Trustee to pay the purchase price of Bonds tendered or deemed tendered to the Trustee for purchase; and (d) all other moneys received by the Trustee under and pursuant to any of the provisions of the Indenture, the Loan Agreement, or otherwise which are required or which are accompanied by directions that such moneys are to be paid into the Bond Purchase Fund. Moneys in the Bond Purchase Fund shall be used solely for the payment of the purchase price of Bonds tendered or deemed tendered for purchase on any purchase date pursuant to the Indenture or to reimburse the Bank for any amounts due under the Reimbursement Agreement resulting from a drawing under the Letter of Credit to pay the purchase price of tendered Bonds.

On each purchase date, the Trustee shall pay the purchase price of Bonds tendered for purchase from moneys on deposit in the Bond Purchase Fund from funds derived from the following sources in the order of priority indicated:

(a) proceeds of the remarketing of such Bonds to any person other than the Borrower, the Issuer or any insider of the Borrower or the Issuer;

(b) moneys realized under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase; and

(c) payments made by the Borrower pursuant to Section 3.4 of the Loan Agreement and other moneys deposited in the Bond Purchase Fund in accordance with the provisions of the Indenture.

Investment of Funds

Any moneys held as a part of any Fund may be invested or reinvested by the Trustee, at the request of the Borrower, in any one or more of the following “Permitted Investments” provided that any such investment is not prohibited by law:

(a) Government Obligations, being obligations of the United States, its agencies, or United States government sponsored enterprises, or obligations the payment of principal and interest on which is unconditionally guaranteed by the United States or its agencies.

(b) Commercial paper issued by corporations that are organized and operating within the United States of America and that are rated by Moody’s or S&P (i) “A-2” or “P-2” or higher if such commercial paper has a maturity of seven days or less, and (ii) “A-1” or “P-1” of such commercial paper has a maturity of greater than seven days;

(c) Negotiable certificate of deposit issued by or deposit accounts with a nationally or state-chartered bank, including the Trustee or any affiliate thereof, or by a state-licensed branch of a foreign bank, provided that the senior debt issued by such bank and/or its holding company shall be rated “Aa/AA” by Moody’s and S&P, respectively, and the commercial paper issued by such holding company or branch of a foreign bank shall be rated “P-1” and “A-1” by Moody’s and S&P, respectively;

(d) Bonds, notes or other obligations of any state, municipality or political subdivision, the interest on which is excludable from gross income for federal income tax purposes, which are rated “AA” or higher by Moody’s or S&P;

(e) Repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected security interest in obligations described in paragraph (a) of this definition or obligations which are rated “Aaa” by Moody’s or “AAA” by S&P; and

(f) Investments in or shares of any “regulated investment company” within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in (a) through (e) above, including funds for which the Trustee, its parent holding

company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;

(g) Both (A) Money market funds invested solely in Government Obligations described in paragraph (a) of this definition, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services, and (B) shares of money market mutual funds (including any money market fund for which the Trustee or any affiliate of the Trustee provides service for a fee) that invest only in Government Obligations described in paragraph (a) of this definition and repurchase agreements secured by such obligations.

Notwithstanding the foregoing, any moneys from a drawing under the Letter of Credit shall remain uninvested and any other moneys held by the Trustee in the Bond Fund or the Bond Purchase Fund may only be invested in the government obligations described in (a) above or in funds comprised solely of (i) such government obligations and (ii) repurchase agreements secured by such government obligations. All investments of moneys in any Fund will be held by or under the control of the Trustee and will be deemed at all times a part of the particular fund for which they were purchased. Interest accruing thereon and any profit realized from such investments will be credited, and any loss will be charged, to the particular fund from which the investment was made.

Defaults and Remedies

Each of the following is an “Event of Default” under the Indenture:

- (a) Default in the payment of any interest on any Bond when and as the same is due;
- (b) Default in the payment of the principal of or any premium on any Bond when and as the same is due, whether at the stated maturity or redemption date thereof or by acceleration;
- (c) Default in the payment of the purchase price of any Bond required to be purchased hereunder when and as the same is due;
- (d) Default in the observance or performance of any other of the covenants, agreements or conditions on the part of the Issuer included in the Indenture or in the Bonds and the continuance thereof for a period of 30 days after the Trustee gives written notice to the Issuer, the Bank and the Borrower;
- (e) The occurrence of an “Event of Default” as defined in the Loan Agreement;
- (f) The Trustee receives a written notice from the Bank of the occurrence of a “Default” under the Reimbursement Agreement and directing the Trustee to accelerate all outstanding Bonds;
- (g) The Bank shall wrongfully dishonor any draft or other request for payment under the Letter of Credit presented in strict accordance with its terms, the Letter of Credit shall, for

any reason, become unavailable to or unenforceable by the Trustee, or the Bank (i) shall generally not pay its debts as they become due, (ii) shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, (iv) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (v) shall take any action to authorize any of the actions described above in this subparagraph (g), or (vi) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if each such proceeding is being contested by the Bank in good faith, each such proceeding shall remain undismissed or unstayed for a period of 60 days, and the Borrower shall not have obtained an Alternate Letter of Credit within 60 days after receipt of written notice of each such occurrence; and

(h) Receipt by the Trustee of written notice from the Bank by the fifteenth calendar day following the honoring of an interest drawing on the Letter of Credit that the amount available to be drawn by the Trustee under the Letter of Credit has not been reinstated to an amount not less than 100% of the outstanding principal of, plus 45 days' interest on the Bonds (or 210 days' interest on the Bonds if the Bonds then bear interest at the Fixed Rate) computed at the maximum interest rate of 10%.

Any default described in subsection (d) above may be waived by the Trustee with the written consent of the Bank from time to time if the Issuer (or the Borrower, on behalf of the Issuer) is proceeding with all due diligence to cure such default and the Issuer is not otherwise in default under the Indenture.

Subject to the requirement that the Bank's consent to any acceleration must be obtained in the case of an Event of Default described in subsection (d) or (e) above, upon the occurrence of any Event of Default hereunder, the Trustee may and upon (i) the written request of the holders of not less than twenty-five percent in aggregate principal amount of Bonds then Outstanding or (ii) the occurrence of an Event of Default under subsection (f) above, the Trustee shall, by notice in writing sent to the Issuer, declare the principal of and any premium on all Bonds then Outstanding (if not then due and payable) and the interest accrued thereon to be due and payable immediately, and, upon said declaration, such principal and premium, if any, and interest shall become and be immediately due and payable. Pursuant to such declaration, interest on the Bonds shall accrue to the date of such declaration. Upon any declaration of acceleration hereunder, the Trustee shall immediately exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable and, to the extent it has not already done so and to the extent necessary, shall immediately draw upon the Letter of Credit as provided in the Indenture.

Upon the happening and continuance of an Event of Default under the Indenture the Trustee may, but only with the prior written consent of the Bank, with or without taking action to accelerate under the Indenture, as described above, pursue any available remedy to enforce the performance of or compliance with any other obligation or requirement of the Indenture, the Loan Agreement or the Promissory Note.

Subject to the foregoing and the requirement that the Bank's consent to the exercise by the Trustee of any such available remedy must be obtained, upon the happening and continuance of an Event of Default, and if requested to do so by the holders of at least 25% in aggregate principal amount of Bonds then outstanding and the Trustee is indemnified as provided under the Indenture, the Trustee shall exercise such of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interest of the Bondholders and, except to the extent inconsistent with the interests of the Bondholders, the Bank.

Subject to the rights of the Bank to direct proceedings as summarized above and as further provided in the Indenture, the holders of a majority in aggregate principal amount of Bonds then outstanding shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or any other proceedings thereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture, and provided that the Trustee shall be indemnified to its satisfaction.

Discharge of Lien

When all principal of, premium, if any, and interest on the Bonds have been paid, or after provision for such payment has been made in accordance with the Indenture, and all fees and charges of the Trustee payable through the date on which the Bonds are to be retired and all other obligations of the Issuer and the Borrower under the Loan Agreement, the Indenture and the Promissory Note have been paid and fully performed, then the Security shall be released from the lien of the Indenture and the Indenture shall be discharged. The Trustee will deliver to the Issuer and the Borrower any written instrument necessary to evidence such discharge.

Supplemental Indentures

The Issuer and the Trustee, with the consent of the Bank but without consent of or notice to any Bondholder, may enter into supplementary indentures not inconsistent with the Indenture:

(a) To cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture which may be defective or inconsistent with any provision contained in the Indenture or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture which do not adversely affect the interest of the Bondholders or the Bank;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders or the Bank any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;

(c) To grant or pledge to the Trustee for the benefit of the Bondholders and the Bank any additional security other than that granted or pledged under the Indenture;

(d) To modify, amend or supplement the Indenture or any supplemental indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(e) To appoint a successor Trustee, separate trustees or co-trustees in the manner provided in Article VII of the Indenture;

(f) To obtain a rating on the Bonds from a national rating service; and

(g) To make any other change which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not to the prejudice of the Trustee or the Bondholders.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph, the consent of the Bank and the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding and affected by such supplemental indenture is required to approve the execution by the Trustee of any supplemental indenture, except that no supplemental indenture shall permit (a) without the consent of the holders of all Bonds then outstanding (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or the interest on, any Bond; (ii) a reduction in the principal amount of, or the premium or the rate of interest on, any Bond; (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds; (iv) the creation of a lien prior to the lien of this Indenture; (v) a reduction in the aggregate principal amount of the Bonds required for consent to any supplemental indenture; or (vi) a modification or change which impairs the ability of a Bondholder to tender Bonds for purchase pursuant to the Indenture, or (b) without the consent of the Trustee a modification or change in the duties of the Trustee. No supplemental indenture which affects the rights or obligations of the Borrower shall become effective without the consent of the Borrower.

Trustee

The Bank of New York Trust Company, N.A., with a designated corporate trust office in Indianapolis, Indiana, is the Trustee under the Indenture. A successor trustee may be appointed in accordance with the terms of the Indenture. The designated corporate trust office of the Trustee is located at 300 N. Meridian Street, Suite 910, Indianapolis, Indiana 46204, Attention: Corporate Trust Department.

The Trustee will be protected in acting in reliance on opinions of counsel and other instruments believed to be genuine and correct. Before taking any action requested by the Bondholders or the Borrower (except for acceleration of the Bonds as required under the

Indenture or drawing on the Letter of Credit as required by the Indenture), the Trustee may require satisfactory security or an indemnity bond from such Bondholders or the Borrower for the reimbursement of expenses and for protection against all liability, except liability which is adjudicated to have resulted from breach of the standard of care for the Trustee set forth in the Indenture.

Remarketing Agent

Fifth Third Securities, Inc. is the Remarketing Agent under the Indenture. A successor Remarketing Agent may be appointed in accordance with the terms of the Indenture. Communications with the Remarketing Agent should be directed to Fifth Third Securities, Inc., 38 Fountain Square Plaza, MD#10903B, Cincinnati, Ohio 45263.

RECEIVED

APPLICATION FOR
ECONOMIC DEVELOPMENT FINANCING

MAY 04 2007

OFFICE OF THE MAYOR
BLOOMINGTON, INDIANA

Legal Name of Applicant: Jill's House, Inc.

Type of Organization: General Partnership _____
 Limited Partnership _____
 Corporation _____
 Sole Partnership _____
 Other 501(c)(3) Corp ✓

Local Representative (Name, Address and Telephone):

Bud Howard-Chairman of the Board, Jill's House, Inc.
101 West Kirkwood, Suite 006A, Bloomington, IN 47404, Phone 812-855-8468

Bond Counsel (Name, Firm, Address and Telephone):

Amount of Proposed Issue: 2,700,000.00

Type of Business: Provide Housing for Cancer Patients being treated at the Midwest Proton Radiotherapy Institute.

Location: 751 East Tamarack Trail Within City Limits? Yes ✓ No _____

Number of Jobs Created/Saved: 3 to 5 created

Estimated Amount of Payroll: \$70,000.00 - increasing in future years.

Estimated Assessed Value After Completion: 3,200,000.00

Bond Purchaser: Fifth Third Securities, Inc.

Trustee: Bank of New York Trust Co., N.A.

Capital Improvements Required of City (Streets, Sewer, Water, etc.):

None that we are aware of except hook-up of our sewer and water lines

I hereby certify that I am the authorized representative of the Petitioner. I agree, on behalf of the Petitioner, its agents, lessees, assigns and any successor in interest, that said Petitioner shall not institute nor cause to be instituted any action or claim against the

Application
Page Two

Bloomington Economic Development Commission, the City of Bloomington, nor any agent or employee of the Commission or City which claim or action arises from the approval, or failure to approve, this application even if an Inducement Resolution has been approved. The Petitioner agrees to defend and hold harmless the Economic Development Commission, City of Bloomington, and their agents and employees in the event any such claim or action is brought.

Bufford

For the Petitioner

SUBSCRIBED and SWORN to before me, a Notary Public of Monroe County,
in the State of Indiana, this 3rd day of May, 2007.

My Commission Expires:

1/11/08

Tray D. Bastin
Notary Public

Printed:

Tray D. Bastin



May 3, 2007

Bloomington Economic Development Commission
City of Bloomington
401 N. Morton Street
Bloomington, IN 47404

Dear Commission Members:

Jill's House, Inc. a local 501-3c not-for-profit entity, hereby requests the issuance of a tax-exempt Economic Development Facilities Revenue Bond, Series 2007. The amount of the bond issue is expected to be \$2,700,000.

The proceeds of the bond will be utilized to construct and equip a 25 bedroom residential facility to be utilized by families of medical patients receiving treatment at the Midwest Proton Radiotherapy Institute (MPRI) in Bloomington, Indiana. The project consists of a 31,058 sq. ft. three-story building with private bedrooms/bath along with four shared kitchens, a dining room, library, playroom, two laundry facilities, gathering room, and chapel. An on-site manager will be located at the facility. The manager will have private bedroom/bath area and there will be a manager's office.

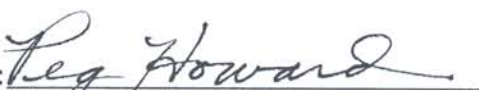
Because out-of-town patients receiving proton therapy require a six-to eight-week stay, which can be financially devastating to families, this low-cost alternative to hotel/motel stays is much needed. In addition, this facility will provide much needed support services for cancer patients, often children, and their families. Guests at Jill's House will be asked to pay \$30.00 per night for each room, which is furnished with two double beds. The budget assumes that some guests will be unable to pay and that is also built into the operating budget.

Jill's House, Inc. will be initially injecting approximately \$900,000 into the project from donations and fundraising efforts that have been on going since 2002. These fundraising efforts will continue to support the projected \$464,000 annual operating budget. A full-time manager along with part-time and volunteer staff will support the facility. The 2.63 acre tract of land on which the facility will be built was donated by Robert Wheeler, principal with the adjacent Meadowood Facility.

Jill's House is named in memory of Jill Behrman, an Indiana University sophomore and Bloomington resident, who was abducted while riding her bike May 31, 2000. In remembering Jill, the facility will provide a place of comfort for others who are suffering.

We would be happy to meet with you to answer any questions or supply additional information about our request. Thank you in advance for your consideration.

Sincerely,
JILL'S HOUSE, INC.

By: 
Peg Howard, President



JILL'S HOUSE OF BLOOMINGTON, INDIANA

LOW COST HOUSING FOR CANCER PATIENTS RECEIVING TREATMENT AT MPRI AND THEIR CARE GIVERS

ORDINANCE 07-04

**AUTHORIZING THE CITY OF BLOOMINGTON, INDIANA
TO ISSUE ITS "ECONOMIC DEVELOPMENT REVENUE BONDS,
SERIES 2007 (JILL'S HOUSE, INC. PROJECT)" AND
APPROVING OTHER ACTIONS IN RESPECT THERETO**

**RELEVANT MATERIAL NOT INCLUDED IN THIS
LEGISLATIVE PACKET**

1.) Material forthcoming from the Economic Development Commission:
EDC RES 07-02

2.) Material in the Clerk and Council Office:

“Substantially Final Form” of the *Financing Agreement* which includes:

- *Loan Agreement;*
- *Promissory Note;*
- *Bond Purchase Agreement;*
- *Trust Indenture; and*
- *Preliminary Offering Circular*

In the Council Chambers of the Showers City Hall on Wednesday, May 16, 2007 at 7:30 pm with Council President Dave Rollo presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
MAY 16, 2007

Roll Call: Ruff, Sandberg, Rollo, Sabbagh, Mayer
Absent: Sturbaum, Volan, Diekhoff, Wisler

ROLL CALL

Council President Rollo gave the Agenda Summation

AGENDA SUMMATION

The minutes of March 21, 2007 and April 18, 2007 were approved (with one minor change in the April 18, 2007 minutes) by a voice vote.

APPROVAL OF MINUTES

Susan Sandberg noted an upcoming fundraiser, the Vintage Vegas Gala, for the Bloomington Area Arts Council. She said would be “officiating” at the Wedding Chapel, to be held at Waldron Arts Center, during the event.

REPORTS:
COUNCILMEMBERS

Mayor Mark Kruzan introduced Adam Wason as the City of Bloomington’s Assistant Director of Economic Development for Small Business & Sustainable Development, and Miah Michaelsen as Assistant Director of Economic Development for the Arts. He described the focus of each position and gave some background on the two new directors. Wason and Michaelsen thanked the mayor and noted that they were looking forward to working in their new capacities. Kruzan thanked the council for approving these two positions, which he said would allow the city to focus on all types of economic development.

MAYOR and CITY OFFICES

There were no reports from these committees.

COUNCIL COMMITTEES

Dave Menzer from the Citizen Action Coalition spoke in opposition of Duke Energy’s plan to build a coal-fired power plant. Kerwin Olsen, also of CAC, provided a study entitled *Indiana’s Choice is Clear: Energy Efficiency and Renewable Resources Should Come First*. Menzer asked that the council oppose the building of the proposed coal gasification plant, saying that conservation and implementing renewable energy sources could cover the projected need for an increase of energy.

PUBLIC INPUT

There were no appointments or reappointments at this meeting.

BOARD AND COMMISSION
APPOINTMENTS

There was no legislation for final action at this meeting.

LEGISLATION FOR SECOND
READING

It was moved and seconded that the following legislation be introduced and read by title and synopsis only. Clerk Moore read the legislation by title and synopsis.

LEGISLATION FOR FIRST
READING

Ordinance 07-10 An Ordinance Concerning the Annexation of Adjacent and Contiguous Territory (2501 South Leonard Springs Road)

Ordinance 07-10

Ordinance 07-11 To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” - Re: Parking Near Sixth and Madison Streets

Ordinance 07-11

It was moved and seconded that Ordinance 07-11 be committed to a special committee of the whole to be held immediately following the evening’s meeting.

MOTION: To commit Ordinance 07-11 to a Special Committee of the Whole to be held immediately following the regular session this evening.

President Rollo asked Council Attorney/Administrator Dan Sherman to explain this motion and one that would follow.

The motion received a roll call vote of Ayes: 5, Nays: 0.

It was moved and seconded that Ordinance 07-11, Ordinance 07-10 and Resolution 07-05 be committed to a special session to be held on May 23rd and that the Committee of the Whole scheduled for that night be cancelled.

MOTION: To Commit Ordinance 07-10, Resolution 07-05 (Fiscal Plan for Annexation), Ordinance 07-11 And Other Items Determined By The President For Action At A Special Session On May 23, 2007 at 7:30 p.m. and to cancel the Committee of the Whole Meeting scheduled that night.

Sherman added that this second motion would provide a Special Session on May 23, 2007, to discuss Ordinance 07-10, and Resolution 07-05, regarding an annexation. He added that after a public hearing and discussion, the state law dictated that Ordinance 07-10 would be forwarded to the meeting on June 6th, 2007 for final action. Ordinance 07-08, providing initial zoning for the annexed property, would also be included on June 6th. Resolution 07-05 is scheduled for adoption on May 23, 2007. Lastly, he said that Ordinance 07-11 amending Title 15 of the Bloomington Municipal Code would also be included for final action on that date.

The motion received a roll call vote of Ayes: 5, Nays: 0.

There was no public comment at this time.

PUBLIC INPUT

The meeting was adjourned at 8:05 pm

ADJOURNMENT

APPROVE:

ATTEST:

Dave Rollo, PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington